

# Social Responsibility Report 2012

Incheon International Airport Corporation

꿈을 향한  
The initiatives for our better future  
바다맞는 동행



Incheon Airport

This is the fifth Social Responsibility Report published by Incheon International Airport Corporation after the company issued its first Social Responsibility Report in 2007 to fulfill its social responsibility (SR). This report discloses the SR activities of Incheon International Airport Corporation to its stakeholders to encourage their engagement to Incheon International Airport Corporation's SR activities.

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### **Reporting Standard**

This report was prepared in accordance with the GRI (Global Reporting Initiative) G3.1 Guidelines and Airport Operators Sector Supplement, and reflects the company's activities with reference to the contents of ISO 26000, an international standard for social responsibility, and to the 10 principles of UNGC (UN Global Compact). The units used in this report were indicated along with the related values, and for any discrepancies between the previous report and the data contained herein, the criteria and reason for change were stated. The currency used was the Korean won, while for overseas businesses, the U.S. dollar was used. The base unit for each environmental indicator was defined in the description of each indicator. The reporting status of the GRI Guidelines can be identified in the GRI Index included in the Appendix.

### **Reporting Period and Scope**

This report covers the activities conducted from January 1 through December 31, 2011, and for certain important activities, the first half of 2012. To help the company's stakeholders understand better, the report includes the trends in quantitative performance data over the past three years and reflects the performance of all Incheon International Airport Corporation's offices.

### **Features of Report**

To systematize Incheon International Airport Corporation's social responsibility (SR) activities and enhance its ability to execute, two major issues were reported in Special Reports so that the company's business strategy, stakeholders' issues of interest and the company's response to them. Special Report I includes the commitments and performance of employees, including the CEO, to make the company the best airport leading the world aviation industry. Special Report II provides details on Stakeholder Committee meetings to share opinions on the company's SR activities through communication with the stakeholders. This report also contains a page dedicated to the 10 principles of the UN Global Compact (UNGC) and states details on its compliance with them.

### **Assurance**

Incheon International Airport Corporation commissioned an independent agency to undertake external assurance to enhance the credibility and accuracy of this report, the data used, and all related systems. It was confirmed through the GRI G3.1 Application Level Check that Incheon International Airport Corporation's "2012 Social Responsibility Report" meets all the requirements for an Application Level "A", and the assurance of Deloitte Anjin Accounting LLC, a third-party assurance agency, confirmed that this report is at a GRI Application Level of 'A+'.

### **Additional Information**

Further information on Incheon International Airport Corporation's SR activities are available at the company's official website, and the reader can also download both Korean and English versions of the company's Social Responsibility Report and Green Report as PDF files. To submit a comment on this report, please use the Survey Form at the back, or see the contact information below.

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## CEO Message



Distinguished Incheon International Airport stakeholders,

First, it is my great pleasure to publish the fifth Social Responsibility Report of Incheon International Airport to all of you who have supported Incheon International Airport this past year.

In 2011, despite tough business conditions, such as the Japanese earthquake and the global economic recession, Incheon International Airport saw record highs in passenger and cargo traffic, secured 174 destinations in 51 countries around the world, and ranked 8th in international passenger traffic and 2nd in international cargo traffic, cementing its status as a leading hub airport in Northeast Asia. For its successful 'customer first' commitment, Incheon Airport became the first airport in the world to be inducted into the Airports Council International (ACI) 'Roll of Excellence with distinction' and ranked highest in Airport Service Quality (ASQ) for 7 consecutive years. These achievements propelled the airport into the center of the global aviation industry as a top-performing airport in the world.

Incheon International Airport's success in the past decade was made possible by about 35,000 dedicated and committed employees, who were never content with the status quo, turned every crisis into an opportunity, and stayed focused as forward-thinking leaders. Its international growth allowed the company to fulfill its vision, 'Global Airport Leader Leading the World Aviation Industry,' earlier than expected, and laid the foundation for its strong business performance, i.e. surplus for 8 consecutive years and topping global duty-free sales.

Having topped the intense competition over a hub position with China and Japan, Incheon International Airport Corporation aims to become a 'global airport leader,' not just the leading hub airport of Northeast Asia, and its efforts to pave the way for future growth include the phase-3 construction project, business expansion abroad using its world-class airport construction technology and operations/service expertise, and Air-City development near the airport. The company also focuses on creating a flawless safety and security system to fulfill its fundamental value as an airport, and on producing fair values by increasing facility and operational efficiency and avoiding poor management. Since 2011, the company has carried out the extensive innovative community involvement policy, 'Customers, Communities, and Global Society,' to communicate with local communities and meet stakeholders' needs with its local community-centered community involvement project. The company also works hard to join the respected global citizens by practicing 'sharing' culture.

A leading international airport, Incheon International Airport Corporation values the opinions of a variety of stakeholders, incorporates them into key issues, and provides company-wide response to deliver the best value and satisfaction that surpasses customers' expectations, under the four principles of social responsibility, 'Growth, Community Involvement, Environmental Management, and Ethical Management,' aside from the practice of a sharing culture. Its business mindset helps the company is creating a win-win labor-management climate, which considers human resources development and employee satisfaction a top priority, a family-friendly corporate culture, in which employees improve work-life balance and feel comfortable at work, and a win-win partnership (mutual growth) system under which the company works with business partners on partnership and mutual growth to deliver the best value and customer satisfaction. Further, the company is dedicated to responding proactively to the government's environment policy, energy target management, and global climate change, and to building a green airport process.

As a corporate citizen, the company believes that the key to social responsibility and a driver for sustainable growth can be found when the company fulfills social responsibility, provides channels of communication with stakeholders, and becomes a global airport respected by all stakeholders, communities, and the public. Hopefully, this report, which contains all the commitments of employees and stakeholders, will help all readers better understand Incheon International Airport Corporation and enable ongoing, meaningful communication.

Since its opening, Incheon International Airport Corporation has enjoyed success over the past decade, and will use its experience and commitment to social responsibility as a stepping stone to sustainability. Incheon International Airport Corporation always values the attention and support of all stakeholders, including shareholders, customers, business partners, communities, and employees, and your continued support will be greatly appreciated.

Again, thank you for your support.

July 2012  
CEO C W Lee



## Reporting Process and Materiality Analysis

### Reporting Process

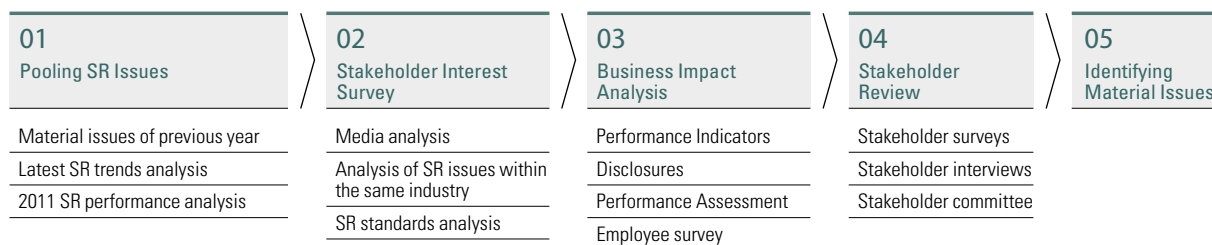
Incheon International Airport Corporation defined the report content based on the information required under the GRI framework and on the issues identified through a materiality assessment. This year, in particular, the company prepared Special Reports to cover issues other than those identified through the assessment. Special Report I states the CEO's leadership and employees' commitment to developing Incheon International Airport Corporation into a 'Global Airport Leader' and a socially respected company. Special Report II covers the results of the Incheon International Airport Corporation Stakeholders Committee meeting held by the company to enhance communication with stakeholders and their trust. The company also reported the stakeholders' issues of interest and its key SR activities transparently, and established a practicable Corporate Social Responsibility Plan to continuously implement and execute it.

### Defining Report Content



### Materiality Analysis Process

When preparing a Social Responsibility report, it is very important to identify the interest of stakeholders in Incheon International Airport Corporation's SR issues, and their business impact. Incheon International Airport Corporation created its own Materiality Analysis process and prepared this report to include all the issues that the stakeholders are commonly interested in and which have a highly potential impact on the company's business activities.



## 01 Pooling Corporate Social Responsibility Issues

The key SR issues contained in the previous year's report, the latest SR trends, and the issues identified through the 2011 SR activities were analyzed and built into a pool consisting of 21 large categories and 78 medium and small ones.

## 02 Stakeholder Interest Survey

**Media Analysis** 1,210 articles on Incheon International Airport Corporation were analyzed, which were released in the press from January 1, 2011 through February 29, 2012, using daily papers, local newspapers, business newspapers, and Internet news sites in Korea.

**Analysis of SR Issues within the Industry** The key social responsibility issues listed on the websites of four other companies in the same industry, contained in their SR reports and annual reports were analyzed.

**CSR Standards Analysis** Material issues were identified by analyzing global standards like GRI G3.1 based on the 10 principles of the UN Global Compact (UNGC), a corporate social responsibility network of which Incheon International Airport Corporation is a member, and the ISO Corporate Social Responsibility Guidelines.

### 03 Business Impact Analysis

An internal survey was conducted regarding the internal key issues commonly addressed in the Performance Indicators, Disclosures, and Performance Assessment, and the issues that have a big impact on Incheon International Airport Corporation's business activities, to identify issues that have a significant business impact.

### 04 Stakeholder Review

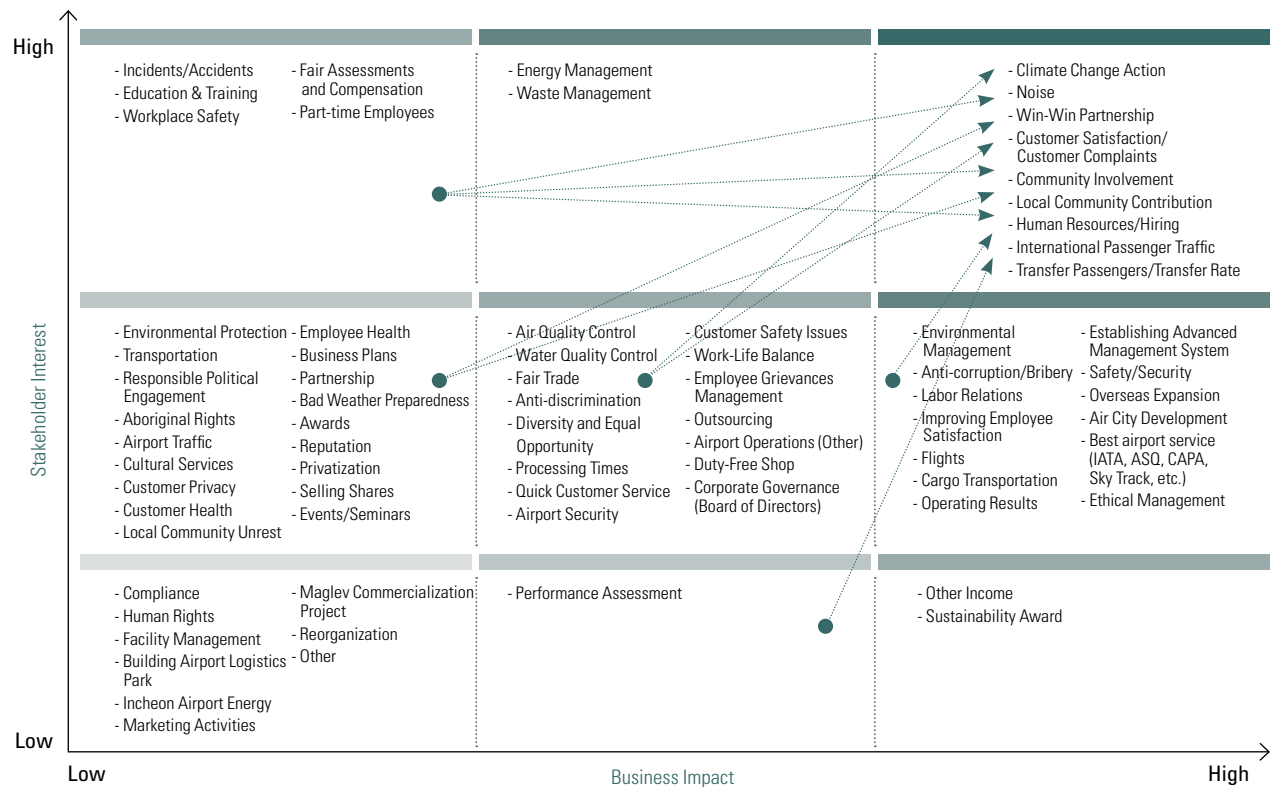
Incheon International Airport Corporation works hard to listen and respond to a variety of issues and opinions raised through Stakeholder Engagement, a key element of corporate social responsibility. This year, the company conducted surveys targeting customers, communities, business partners, and employees to collect their opinions, as well as in-depth interviews with stakeholders. In June, the company held the Stakeholder Committee by inviting experts who collaborate with the company in community involvement projects, diagnosed the company's corporate social responsibility, and reviewed key issues.

### 05 Materiality Analysis Results

The materiality assessment results found that, considering the triple bottom line of sustainability, i.e. economic/social/environmental impacts, the material issues of 2012 included social and environmental ones, including community involvement, local community contribution, climate change action, airport noise, win-win partnerships, customer satisfaction, human resources/hiring. Following an arrow across the graph reveals that the issues that used to be below the medium levels of stakeholder interest and of business impact in the previous year moved up to the high levels of them and became key material issues in 2012.

While the material issues at the very top in the previous year's report maintained high levels of business impact, the change in stakeholder's interest was deemed to have resulted from the remarkable performance of the related issues. This report intends to provide every detail of the material issues identified this year to the stakeholders. The company will continue to produce the desired results that the stakeholders acknowledge through its distinguished SR activities for each issue, and report the results in the next year's report.

\*75 issues out of 78 issues, excluding 3 issues where the stakeholder interest or business is 0 (knowledge management, audit/investigation, prohibiting child labor).



# Special Report I

## Commitments and Future Vision to Become the World's Best Airport

### Commitments by CEO and Employees

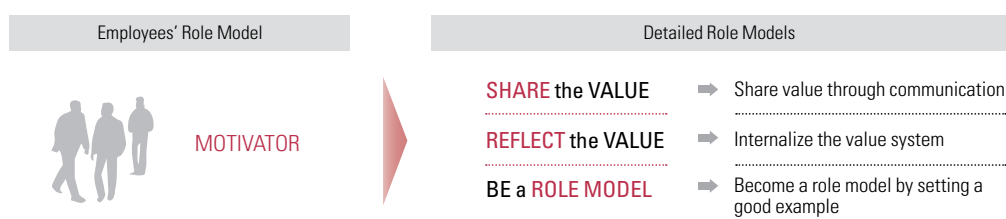
#### Commitment to Creating Value System

To fulfill its mission, Incheon International Airport Corporation and its employees examined the business conditions of 2011 and shared key issues at hand between departments before creating a company-wide value system, including the company's mission, "Customer Satisfaction and Value beyond Expectations" and its vision, "Global Airport Leader Leading World Aviation Industry," and agreed on the three areas, "Increase Airport Demand; Focus on Overseas Business; and Soft Power-centered Services," as the organization's future drivers for sustainability. To respond to the government's fair society and mutual growth policy, and to meet stakeholders' demands for social responsibility, the company reorganized the entire Win-Win Partnership Team, executed the budget for win-win partnership early, and consolidated the Public Interest Strategy process.

#### Commitment to Consolidating and Practicing Value System

Incheon International Airport Corporation placed emphasis on consolidating the value system to become a global airport leader. First and foremost, the CEO suggested three role models to employees, "Share the Value, Reflect the Value, and Be a Role Model," to encourage all employees to strengthen and internalize the value system and become leaders within their own organizations and set a good example.

Implement Detailed Role Models to Motivate Employees to Share the Value; Reflect the Value; and Be a Role Model



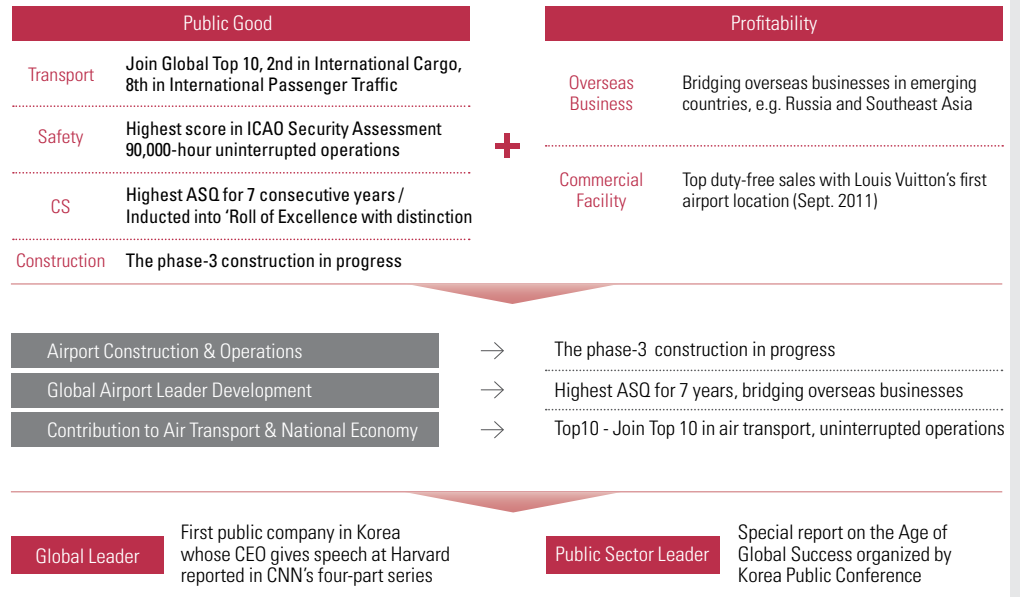
The company proposed the slogan, "Let's Go, Win 7," which summarizes the value system and represents employees' dreams, shared it with about 35,000 employees, and motivated them to achieve the "highest ASQ for 7 consecutive years." The CEO, along with employees, declared the 2012 slogan, "New Decade, New History with Passion," to encourage the right mindset and attitude to preparing Incheon Airport's next decade.

The CEO's and employees' commitments to consolidating the value system led to the balanced results of public good and profitability. By considering public good a top priority, the company not only focuses on airport construction, safety/security, and operations services, but also builds collaborative relationships with the world's top airport companies and leading airports group such as Schiphol group and Aéroports De Paris to become a "role model" airport.





MOU with Schiphol group and Aéroports De Paris



### Sharing the Value System

Further, the company enhanced communication channels to strengthen bonds between CEO and employees, including hearings, job postings, and Trust & Fun workshop, and consolidated the open airport-wide convergence network through Customer Committee, Win-Win Partnership Workshop, and Hanmaeum Festival held between the company and stakeholders. Using various types of media, the CEO shared the company's value system effectively in interviews, press releases, lectures in government/business circles, and a guest presentation at Harvard.

## CEO and Employees' Future Airport: Extensive adoption of the private

By working hard to create an advanced governance and management system, employees at Incheon International Airport Corporation are not content with the status quo and aim to transform Incheon Airport into a global airport leader by 2015. About 35,000 employees are unsung heroes and dedicated workers, who are happy and proud to work at the company. They will make Incheon International Airport Corporation a company respected at home and abroad.

### Global Airport Leader Creating the Difference



# Special Report II

## Incheon International Airport SR Stakeholder Committee

Topic | Diagnosis and recommendations for Incheon International Airport Corporation's Social Responsibility  
– Centering on Social Responsibility activities

Date | June 7, 2012 (Thursday)

Venue | Korea Chamber of Commerce and Industry

### I. We recommend the creation of specific guidelines for social responsibility

**Han, Dong-woo\_** Considering its short history, I would give the company credit for quickly taking notice of and paying attention to social responsibility, but by now there should be an umbrella organization responsible for social responsibility. The company should also have clear guidelines in place for its business strategy and vision. Only when a company gives clear instructions on what needs to be done can the person(s) responsible be truly motivated.

**Lee, Seong-hyeon\_** I was told that the company implements its social responsibility business in three stages (Generations 1 to 3), and I greatly appreciate the fact that the company quickly recognized the importance of social responsibility and created a plan and a vision. I hope that the company will keep up the great work while enhancing business effectiveness.

1. Professor Kim, Ki-chan\_ Chair, Catholic Univ.
2. Professor Han, Dong-woo \_ Kangnam Univ.  
Local community involvement
3. Team leader Chae, Jeong-won\_ Forest for Life,  
Local community involvement
4. Group leader Kim, Jong-hwi\_ Seeds,  
Culture and arts community involvement
5. Group leader Kim, Hui-yeon\_ Montant,  
Culture and arts community involvement



1



2



3



4



5

### II. We recommend a comprehensive partnership by overhauling the social responsibility organization

**Lee, Seong-hyeon\_** I very much appreciate working in partnership with Incheon Airport Corporation because it helps partners develop their capabilities through equal treatment and financial support.

**Kim, Jong-hwi\_** I think that the organization responsible for supporting a comprehensive partnership strategy with its partner organizations should more than double its workforce so that it can build permanent relationships and expand the partnerships to the field. There needs to be an organized support system for creating new issues or evolving the present issues.

**Yu, Geun-yeong\_** When you take a look at IIA's social responsibility vision and categories, the business is conducted in four areas under a common goal. In the implementation stage, however, I doubt there is a well-organized team responsible for implementing this vision. In the process of doing actual work in each area, the company should make sure that, through collaboration with stakeholders, the work will be connected to the direction of each business, and to each proper activity.

6. Team leader Lee, Seong-hyeon\_ former Copion, Global Social Contribution  
 7. Team leader Lee, Beom-yeol\_ Community Chest of Korea, Customer participation  
 8. Team leader Jeon, Seong-hyeon\_ Childfund, Customer participation  
 9. Section leader Yu, Geun-yeong \_ BBB Korea, Customer participation



6



7



8



9

### III. We expect Incheon Airport Corporation to improve its social responsibility activities

**Lee, Seong-hyeon\_** When related teachers first participated in the overseas volunteer group, which was launched as part of the local specialization project, there was little appreciation of volunteering abroad. Right now, as teachers motivate themselves and improved such awareness, the gap between the company's expectations and intentions is narrowing. When employees take part in volunteer activities, it is expected to improve their loyalty and tolerance of cultural diversity and their global capabilities. Once their activities are finished, the company should develop a better program for turning the activity results into a new growth driver, such as **creating indicators to measure changes in employee awareness.**

**Lee, Beom-yeol\_** Financial issues arising out of the increasing scope of social responsibility activities can be resolved by annual fund-raising and company-wide donations. The company can reap great results if it **encourages the participation of vendors and in-house businesses in social responsibility activities.**

**Chae, Jeong-won\_** I believe that Incheon Airport Corporation should extend the scope of activity from local communities near the offices and conduct activities nationwide. The company should also tackle training-related issues by increasing environmental training, such as combining environment and training and creating an environmental training center.

**Jeon, Seong-hyeon\_** Understanding the local characteristics of "Incheon" will help the company get closer to the local community when carrying out its social responsibility business. As for fund-raising activities, some foundations and large companies conduct specialized activities. At the moment, Incheon International Airport Corporation is in its early stages before establishing a social service (welfare) foundation, and I look forward to the role of the company's Social Responsibility Team as a social service provider. Further, I believe that the company needs **segmented, specialized, and distinguished social responsibility approaches**, including financing "sharing" contents, such as "sharing" training and donations, as well as green food PR training and emotional management training.

**Kim, Hui-yeon\_** Social responsibility business can produce greater results when it is done in connection with the activities of other organizations, creating synergy. The company should be able to create synergy by forming a network to build infrastructure and related contents.

**Yu, Geun-yeong\_** The company may have just one vision for social responsibility, but there are many projects and participating organizations. I think the lack of communication might hinder the company from creating solid partnerships. Partnerships can be strengthened through dedication and commitment to communicating with a variety of organizations.

**Kim, Ki-chan\_** Communication is very important. I hope there are more regular meetings like this to provide opportunities for communication.

#### IV. We recommend the 3rd generation innovative social responsibility direction for Incheon International Airport Corporation

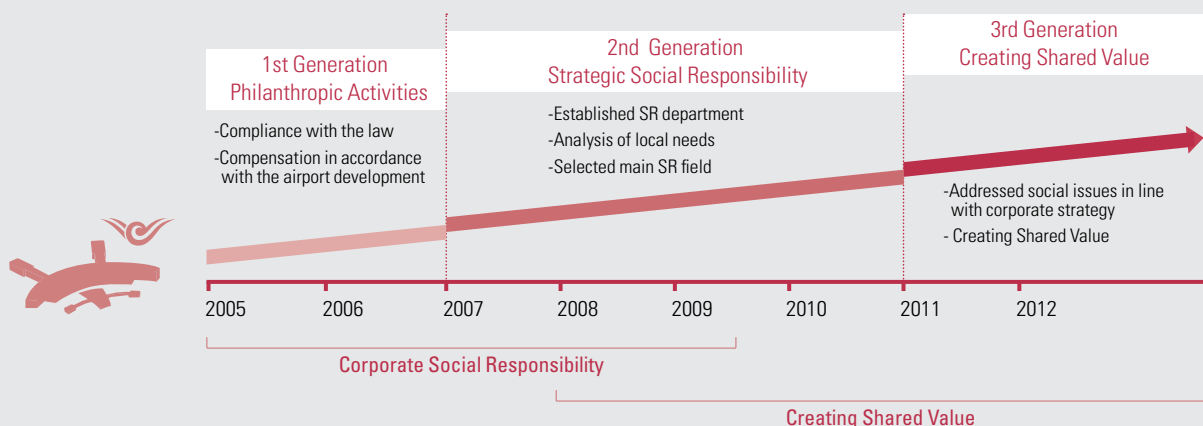
**Lee, Beom-yeol** Up to Stage 2, social responsibility activities were concentrated in the local community around the airport. In particular, we can easily find the contributions that IIA has made to Yeongjongdo, such as schools and cultural facilities. Incheon Airport, however, is a company accessible to anybody - therefore, I recommend "Increase Locality" as a top priority for the company's Stage 3 Innovative Social Responsibility.

**Han, Dong-woo** Even if so, with regard to local communities, the efforts to eliminate the negative effects of Incheon Airport Corporation on the Yeongjongdo area should be made strictly within the local community. I believe that the company should respond actively to this matter in its future social responsibility projects.

**Lee, Seong-hyeon** Since the company aims at becoming a respected, global company in Stage 3, it should at least look global without limiting its activities to local areas. As for overseas volunteer activities, volunteers are sent abroad every week or every two weeks, but short-term activities do not produce noticeable results for the local residents. Since Incheon International Airport Corporation regards investment in foreign airports as a new growth driver, I recommend how the company should conduct its global social responsibility business in Southeast Asia and other regions, taking into account the investment areas, their neighborhoods, and even their countries. There will be a lot of trials and errors, and other variables to consider in long-term, continuous projects, and the management's determination and support are essential. If the company has any related plans in place, it should share the plans and communicate with the management, while developing a global social responsibility part, finding and using a skilled workforce under a specific vision, and developing a comprehensive system.

**Kim, Hui-yeon** So far, the company has been in the stage of social responsibility activities where it responds to SR needs using its own system. Now, the company should start thinking about the contents of those activities. To become a respected company, what the company needs the most is the content, not the form. Therefore, aside from the responsible team's proper division of labor, a manageable system should be created.

**Kim, Ki-chan** To fulfill social responsibility in the true sense of the word, the company should move forward from introducing social responsibility issues to reinforcing the content. While individual content management is important, the company should think about how to create synergy between activities, including training, volunteering, and environment. The shift from a "Battle of Devices" to a "War of Ecosystems" referred to in business administration highlights the importance of forming a network among separate entities. A collaborative relationship among the business entities will help create synergy.



**Chae, Jeong-won:** To effectively promote SR activities to the public, branding strategy is essential. For instance, one of the leading companies in Korea that promotes “Make our nature greener and greener” advertises its SR activities like school forests in the same way, stressing that it is an environmentally friendly company. That company’s strategic approach is to connect all its business activities to corporate social responsibility.

**Lee, Beom-yeol** Incheon Airport Corporation should implement more specific, comprehensive social responsibility activities. For example, there is a company that operates a nationwide national social responsibility project for youth support under a comprehensive slogan, “People Are the Future.” To fulfill its social responsibility more effectively, IIA should also promote its brand to customers under a unified theme in accordance with its vision.

“For Incheon International Airport Corporation to upgrade its social responsibility activities, creating synergy through collaboration between stakeholders, as well as through the connection between IIA’s social responsibility projects, is critical. That is why stakeholder meetings like this should be held on a regular basis. Further, for Incheon International Airport Corporation to become a global company, the company should also prepare an approach to global social responsibility activities aimed at creating shared values with various stakeholders from the standpoint of social responsibility.” Professor Kim, Ki-chan (Chair)



## Incheon International Airport Corporation’s future plans for social responsibility

### | We will hold Stakeholder Committee meetings on a regular basis.

We plan on creating the Stakeholder Committee, which is an extension of IIA’s SR Stakeholder Committee to a variety of stakeholder channels in economic and environmental areas.

### | We will create guidelines for Social Responsibility.

We will clarify our social responsibility and community involvement strategies by making a catchphrase and mission statement specific to enhance our ability to execute social responsibility projects, and also prepare detailed action plans to improve the actual results.

### | We will consolidate our partnerships in social responsibility business and extend the scope of activity.

Incheon International Airport Corporation will find a business plan for increasing synergy between businesses and develop it into a new business that creates shared values through social responsibility business partners’ union. Further, as a global corporate citizen, the company will continue to extend the scope of social responsibility activities to global society in accordance with its 3rd generation social responsibility strategy.

### | We will communicate actively on social responsibility activities.

We will communicate actively with stakeholders about IIA’s social responsibility and community involvement activities by boosting external communication channels, and increase external awareness and understanding.

# 2011 Highlights



## First airport to be named as the Best Airport worldwide at ACI's ASQ for 7 consecutive years and honored to be inducted into "Roll of Excellence with distinction"

In 2011, by scoring 4.95 points (out of 5), Incheon Airport ranked highest in Airports Council International's (ACI) Airport Service Quality (ASQ) for 7 years straight, which targeted the users of 186 airports across five continents around the world, and became the first airport to receive the Roll of Excellence in Airport Service Quality, inducted into the Hall of Fame, earning an international reputation as Incheon International Airport that provides the world's best service.

## Selected as Respected Company for 5 consecutive years and became first public company to join the Top 10

Through ongoing social responsibility activities under the public good-centered business policy, the company was selected as one of the most respected companies for five consecutive years and became the first public company to join the top 10, cementing its position as the people's best public company.

### Global Top 10



## Entering Global Top 10 in aviation traffic

Despite the domestic and international crises, such as the Japanese earthquake and economic recession, Incheon Airport entered Global Top 10 in aviation traffic. In 2011, Incheon Airport ranked second in International Cargo Traffic and 8th in International Passenger Traffic and contributed to not only the aviation industry but to the national economy.



### ISO 50001



## Meeting greenhouse gas and energy targets

To create a low-carbon, green airport environment, the company set the greenhouse gas reduction targets by entering into a greenhouse gas target management system agreement with the government. The company became the first among domestic buildings to acquire the Energy Management System certificate (ISO 50001), created a company-wide, efficient energy management system, and replaced existing facilities and equipment with highly efficient one to save energy. As a result, the company exceeded its energy use target (below 2,590,000GJ) by 4.3% with 2,470,000GJ and greenhouse gas emission target (below 135,986tCO<sub>2</sub>eq) by 7.1% with 126,327tCO<sub>2</sub>eq, and was voted the top-performing Energy Saving Building by the Ministry of Knowledge Economy.





### Building the best safety & security system

Safety and security are considered the fundamental, core values in the aviation industry. In July 2011, Incheon International Airport Corporation reached 90,000 hours of uninterrupted service in its NAVAIDs including radar and control systems, and secured flight safety. Incheon Airport also gained the top grade in a security assessment by International Civil Aviation Organization (ICAO), and has had zero security accidents since its opening.



### Topping global duty-free sales with the opening of Louis Vuitton's first airport store

On September 10, 2011, Incheon Airport became the first airport to open a Louis Vuitton store, a brand worth 19.8 billion dollars. Since its opening, the store has seen a steady growth in duty-free sales, topped duty-free store sales worldwide with 1.53 billion dollars, consolidating Incheon Airport's international reputation. In addition, based the results of a 2011 survey conducted by Business Traveler, an internationally recognized travel magazine, targeting subscribers in the Asia-Pacific region (September) and North America (December), the company won "Best Duty Free" award.



### No vendor disputes through the Air City Partnership System

Approximately 87% of the workforce at Incheon Airport is supplied by vendors. Incheon International Airport Corporation created a master plan for win-win partnership, and has worked hard to resolve labor disputes through labor management training and labor consulting for vendors and promote active communication through meetings, workshops, and the Win-Win Partnership Committee. Since July 2011, Incheon International Airport Corporation has expanded its win-win partnership programs for vendors including Employee Children English Camp and Summer Lounge operations, and in March 2012, opened Haneul Culture Center to improve resident employees' quality of life at Incheon Airport. Its efforts to create a culture for win-win partnerships with vendors and increase live-in employees' satisfaction at work paid off in 2011 when it achieved "zero vendor disputes".

## Company Profile



Incheon International Airport Corporation was created to enable the efficient construction and operations/management of Incheon Airport, develop a global airport corporation, ensure uninterrupted passenger and cargo transportation, and contribute to the national economy. In 2011, Incheon International Airport, as the hub airport of Northeast Asia, ranked 8th in International Passenger Traffic and second in International Cargo Traffic, and handled 229,580 flights, 35,060,000 passengers, and 2,540,000 tons of cargo transported. Since its opening in March 2001, the company has considered "Safety and Security" a top priority, focused on its fundamental role as an airport, ensured uninterrupted NAVAIDs service for 90,000 hours (as of July 2011), and been honored for 7 consecutive years as the top-performing airport through Airports Council International (ACI)'s Airport Service Quality (ASQ).

### Company Profile

Company name	Incheon International Airport Corporation
Founding date	February 1, 1999
Location of headquarters	47, Street #424, Gonghang-no, Jung-gu, Incheon, Republic of Korea
Organization	3 Divisions, 2 groups, 23 departments, 85 teams, 1 branch
Subsidiaries	Incheon Airport Energy Co., Ltd., Incheon International Airport Fuel Facilities Co., Ltd., and Incheon Citizen Football Club

### Financial Information

high-profit management for 8 years straight

**3,617,800** million  
won in capital

**7,721,600** million  
won in assets

**1,496,600** million  
won in sales

**362,800** million  
won in net profit for  
the period

**62.7%**  
debt

### Destinations/Flights(In 2011)



#### Passengers

174 destinations in 51 countries  
(35,060,000 passengers)  
8th in international passenger traffic

#### Cargo

84 destinations (2,540,000 tons)  
2nd in international cargo traffic

### Operations/Services



World's first airport to be named as Best Airport worldwide at ACI's ASQ for 7 consecutive years and honored to be inducted into "Roll of Excellence with distinction";

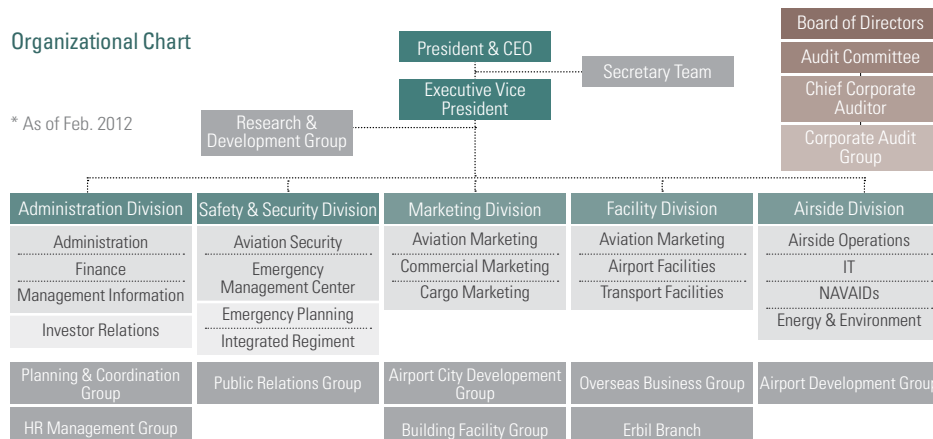
Top sales in duty-free shops (first airport to open a Louis Vuitton store);  
Achieved the world's top rating in International Civil Aviation

Organization (ICAO)'s Airport Security Assessment **98.57%**  
fulfillment (world average: 68.23%)

### History



### Organizational Chart





## Business Areas

The key businesses of Incheon International Airport Corporation are defined pursuant to Article 1 (Purpose) of the International Incheon Airport Corporation Act as follows: ① Efficient construction and operations of Incheon Airport; ② Development of a "Global Airport Leader"; and ③ Seamless flight service and contribution to the national economy. In connection with the company's long-term business strategy, its ability to execute has been enhanced. In the aviation industry, transportation services, aircraft maintenance, infrastructure and construction, and airport services are closely related, depending on the passenger and cargo demand. Incheon International Airport Corporation has been dedicated to increasing passenger and cargo traffic and operating the airport safely and conveniently and devoted its capabilities to completing Phase 3 of airport construction by 2017 and building green airport infrastructure. By diversifying its revenue model factoring in Air-City development, the construction and operations of airports abroad, and equity investment, the company is expanding its business to develop future growth drivers.

### Key Businesses in Connection with Long-term Business Strategy

Key business	Details	Project	Approach
Air Transportation Business	Passenger Marketing	← Hub Improve transfers and strengthen the network	Hub Strategy
	Logistics marketing	← Hub Value-added logistics hub	
Airport Operations Business	Airport operations	← Hub Create value through advanced services	Operations Strategy
	Safety and security	← Operations Increase facility and operational efficiency	
Future Growth Business	Concessions	← Growth Strengthen new sources of revenue and increase revenue	Growth Strategy
	Overseas businesses	← Growth Expand business abroad	
	Air-City development	← Growth Develop value-oriented Air-City	
Hub Infrastructure Business	Airport construction	← Hub Timely completion of Phase 3	Growth Strategy
	Green infrastructure	← Operations Create a green airport operating system	

Air Transportation Business		Airport Management Business		Future Growth Business		Hub Infrastructure Construction Project	
2015 Strategy Goal		2015 Strategy Goal		2015 Strategy Goal		2015 Strategy Goal	
<b>80 million WLU<sup>1)</sup></b>		<b>Top ranking in ASQ<sup>2)</sup></b> <b>Zero security accidents</b>		<b>1.3 trillion EBITDA<sup>3)</sup></b>		<b>37.1% process yield in Phase III</b> <b>Below 120,000 tons of CO<sub>2</sub> emissions</b>	
2011 Activities		2011 Activities		2011 Activities		2011 Activities	
229,580 flights (passenger + cargo) per year		536.3 billion won in airport revenue		960.3 billion won in other income		Phase III construction (2010-2017; 438,600 million won)	
For 35,060,000 passengers, 5,600,000 transfer passengers per year		Terminal operation, safety and security, and facility management		Operation of commercial facilities and logistics park (Global top sales in duty free shop; 2nd in global cargo transportation)		Energy target management and carbon emissions reduction	
2,540,000 tons of cargo per year				Commencement of Air City Development Project (IBC-I, IBC-II, and Stage 2 in southern basin)			
				Diversifying overseas businesses (10 orders awarded, surpassing 48 million dollars)			

1)WLU (Work Load Unit): A measure combining passenger and cargo traffic volume at an airport and calculated based on the formula: passenger (people)+ cargo (tons)\*10

2)ASQ (Airport Service Quality): International airport service assessment conducted by Airports Councils International (ACI)

3)EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): A global measure of profitability that represents a company's ability to produce cash through its business operations

## Governance

Incheon International Airport Corporation has all the necessary capabilities for sustainability with advanced governance and reinforced business activity monitoring. The company works hard to improve business results by encouraging non-executive directors' engagement with regard to key issues at hand, getting their advice, and avoiding neglect.

### Shareholders and Ownership Structure

Created under the Incheon International Airport Corporation Act, Incheon International Airport Corporation operates all its business activities under the Act on the Management of Public Agencies and the Commercial Code. In 2011, the company had 3,617,800 million won in paid-in capital, which is 100% owned by the government.

### Board of Directors Organization

Incheon International Airport Corporation works hard to reinforce its Board of Director's policy-making and checks functions to ensure effective decision-making. The Board of Directors consists of 7 non-executive and 6 executive directors, including the CEO, and a non-executive director chairs the Board. The company's highest decision-making body, the Board is responsible for making decisions on key strategies and policies and for supervising and supporting issues at hand. The key business issues are discussed through the review of non-executive directors, and the effective checks were secured by organizing a board centering on non-executive directors.

### Board of Directors Organization and Performance

Executive Directors (2012.06 )	
CEO	Corporate management manager
Audit member	Operations HQ manager
Vice-president	Flight HQ manager

Non-Executive Directors (2012.06 )	
Dir. Lee, Young-hyuk (male): Senior director (chair)	
Dir. Kim, Chang-soo (male): Chair of Budget Planning Committee	
Dir. Gwon, Se-ho (male): Accounting/Management	
Dir. Im, Jwa-soon (male): Organizational/International Cooperation	
Dir. Jang, Jong-sik (male): Airport/Flights	
Dir. Kim, Dong-jin (male): Safety/Security	
Dir. Hong, Seong-chil (male): Legal affairs	

Board of Directors
Decision-Making, Supervision & Support
Chair_ Senior director
Members_ 7 non-executive & 6 executive directors
14 sessions (95.4% attendance), Decisions made: 40



Budget Committee	Audit Committee	Nomination Committee
Review business plans, budget, and other issues	Audit accounting/operations, supervise directors' performance of their duties	Recruit candidates, review and nominate
Chair: Non-executive	Chair: Non-executive	Chair: Non-executive
Members: 4 non-executive, 1 executive	Members: 2 non-executive, 1 executive	Members: 4 non-executive, 2 outside (private)
3 sessions (100% attendance) Budget (plan) review	10 sessions (100% attendance). Review 46 items, including the operating status of the Internal Accounting Management System	9 sessions (100% attendance). Nominate 4 non-executive director candidates (open recruitment, review, interview, nomination)

### Board of Directors Operating Results for Past 3 Years

Category	2009	2010	2011
Board sessions	15	17	14
Items for decision-making	52	41	40
Board attendance	94.3%	96.8%	95.4%
Non-executive attendance	96.2%	97.5%	96.7%
Non-executive right to speak	79.2%	83.9%	89.4%

### Board of Directors Operations

The Board holds meetings at least once a month and encourages attendance by distributing calendars containing Board of Directors meeting schedules, maintaining a high attendance of 95.5% over the past three years. The Board has sub-committees in different fields and ensures the effectiveness of the Board through the activities of the sub-committees. Non-executive directors are responsible for participation and checks by providing business advice and suggestions, connecting their expertise with airport management, policy-making, applicable laws, financial risks, local community opinions, HR and labor, and airport operations. All 11 business suggestions were put into practice, such as non-operating income target adjustments, to reinforce the target level of non-operating income that was kept at the world's highest in 2011.

### Director and Executive Compensation

The CEO is evaluated based on accreditation and self-management performance results and, depending on the assessment results, his term can be extended or terminated. His bonus is limited to 200% of base salary. Executive directors are evaluated based on their KPI compliance and contributions to meeting the business goal to fulfill the company's strategy and vision, and their bonuses are limited to 100% of base salary.

## Risk Management System

Incheon International Airport Corporation created a company-wide risk management process and system to prevent risks and respond efficiently to them. Through the process, the company guarantees business continuity, resolves financial and non-financial risks, and produces results efficiently, laying the groundwork for becoming a global airport leader.

### Strengthening Company's Risk Management Process

As uncertainty increases in the business environment, such as natural disasters like earthquakes and wildfires, pandemics like SARS and AI, economic crisis, and high oil prices, Incheon International Airport Corporation works hard to strengthen its company-wide risk management process to deal with business and operational risks. In 2011, the company created a business risk management process that includes not only existing financial risks management but also business environment, overseas businesses, and conflict resolution.

#### Company-wide Risk Management Process

		KRI	Concern	Caution	Alert	Serious	Monitoring System
Business Risks	Business Environment	WLU Decline	Over 1%	Over 3%	Over 5%	Over 10%	Business Information System
	Financial Risks	EaR limit, etc.	60~70%	70~80%	80~90%	90~100%	Financial Risk Management System
	Overseas Business	Investment Risk (acceptance of completed amount)	3-month unpaid	6-month unpaid	12-month unpaid	National bankruptcy, war, terrorism	ERP, Operations Center, Traffic System, etc.
	Ethical Management PR and Conflict	Conflict (collective complaint)	Receive complaints	Form collective council	Raise collective complaint	Unrest such as riots	
Operational Risks	Facility Management	Outage and stoppage times	Outage warning	154kV device failure	Power Cable #1 failure	Power Cable #2 failure	Integrated Status Center
	Flight Dispatch	Occurrence of obstacles, etc.	Obstacles	Grade 3	Grade2	Grade 1	Accident Response Headquarters
	Disasters & Accidents	Snowfall, typhoons, etc.	Heavy snow forecast	Snowfall below 5cm	5~20cm	Over 20cm	
	Security/Communications/Operations	Deaths, accidents, strikes, etc.	Labor issues	Failed labor talks	Signs of strike	Strike and work stoppage	Risk Analysis

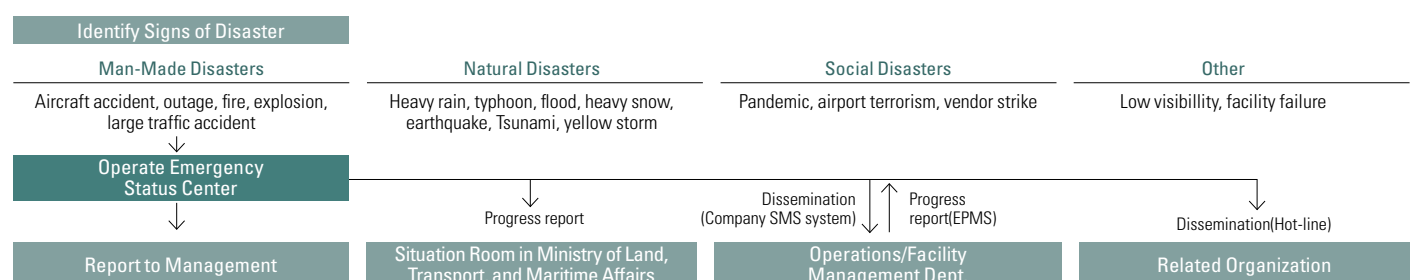
### Operating a Risk-based Monitoring System

Incheon International Airport Corporation selects 30 key risk indicators (KRI) (9 business and 21 operational risks) that may have a significant impact on the company's business, and appointed a team responsible for regular monitoring. Business risks are regularly monitored through the e-Audit System and Financial Management System, with regard to finances, accounting, capital, human resources, electronic bidding, electronic payment, lease, contracts, and budget. Operational risks are managed in real time by operating the Integrated Status Center 24/7.

### Risk Identification and Emergency Preparedness Process

The team responsible for key risk indicators created its own risk grading matrix, classifies risks into four stages of Mild, Moderate, Alert, and Serious, and copes with them according to the Response Manual in the event of an emergency. In the event of a serious (red) situation in accordance with the risk grading matrix, the company's Risk Management Committee is convened to initiate the company-wide risk response process. The Risk Management Committee consisting of the company's management (chaired by CEO) defines a risk situation and operates the Emergency Preparedness Body supervised by the leader of each headquarters for each risk type, once initiating the company-wide risk response process has been decided. The Emergency Preparedness Body is divided into Response Team, which consists of responsible departments and response departments, and Support Team responsible for other support, so that quick response and recovery can be carried out. For further information on the Emergency Response Process, please see this report's Customer: Disasters and Facility Safety System.

#### Disaster And Emergency Preparedness Process



## Stakeholder Engagement

### Definition of Stakeholder and Communication Channels

Using a theoretical framework, Incheon International Airport Corporation classifies and selects stakeholders based on their business impact and interest. In particular, the company identifies the expected value of stakeholders, develops a communication channel that fits their characteristics, and creates a distinctive approach. Incheon Airport is a public facility in which 550 organizations reside, and for Incheon International Airport Corporation to create sustainable value, working in partnership with stakeholders is critical. The company's stakeholders are classified into five groups: customers, business partners, communities, governments, and employees. The company pursues mutual growth by strengthening a communication channel for each stakeholder.



#### Customers



##### Expected Value

Safe airport  
Fun airport  
Fast service  
Kind service

##### Communication Channel

VOC Committee, Voice of Customer  
Customer satisfaction survey  
Culture & Arts Committee  
Customer Committee

#### Governments



##### Expected Value

Efficient management  
Job creation  
Ethical management

##### Communication Channel

Steering Committee of ACI  
Public Service Modernization Committee  
Airport Administrative Council  
Security Council  
Congress Policy Forum  
Joint Business Innovation Workshop

#### Employees



##### Expected Value

Employment stability and self-development  
Performance-based compensation  
Family-friendly management

##### Communication Channel

Intranet  
Company Vision Workshop  
Labor-management meetings  
Labor-Management Committee/  
Labor-Management Steering Committee/  
Wage and Collective Bargaining  
Labor-Management TF  
Labor-Management Hotlines  
Benefits Program Steering Committee/  
Appraisal System Enhancement Committee  
Occupational Safety & Health Committee /  
Field meetings

#### Business Partners



##### Expected Value

Support capability development  
Fair trade culture  
Win-win collaboration/ partnership

##### Communication Channel

Aviation industry meeting  
Aviation Industry CBT Committee (AOC-I)  
Win-Win Partnership Workshop  
In-house Agency Representatives Council  
Airport Family Hanmaum Festival  
Joint Promotion Council  
Free Trade Zone Council  
IBC Entrepreneur Council  
Partners' Day  
Win-Win Partnership Committee  
Service Enhancement Committee  
CS Leader Council  
Voice of Field (VOF)

#### Communities



##### Expected Value

Local community development  
Noise management measures  
Environmental management  
Sharing management  
Cultural and artistic support

##### Communication Channel

SR Committee/SR Working Committee  
World Peace Forest Council  
Local School Specialization Project  
Steering Committee  
Haneul Culture Center TF Team  
Volunteer Team V.C. Leaders' Meeting  
Airport Administrative Council  
(Corporation-City of Incheon)  
Social Enterprise Development Council

## Stakeholder Surveys

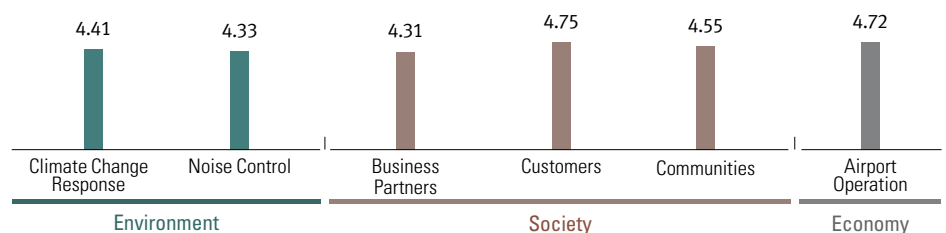
### Incheon International Airport Corporation's Stakeholder Survey Results Regarding Social Responsibility

As done in 2011, a stakeholder survey was conducted in May 2012, to identify Incheon International Airport Corporation's level of social responsibility. The survey results showed that the overall score for Incheon International Airport Corporation's social responsibility increased from 85.7 points in 2011 to 91.8 points in 2012 (out of 100). Among the company's social responsibility activities, the economic, social, and environmental activities earned high scores evenly, and, as with the year 2011, the economic activities scored the highest. To increase stakeholders' awareness of and satisfaction with IIA's economic, social, and environmental activities, the needs and expectations of stakeholders are thoroughly identified and incorporated into business activities to strengthen the company's social responsibility activities.



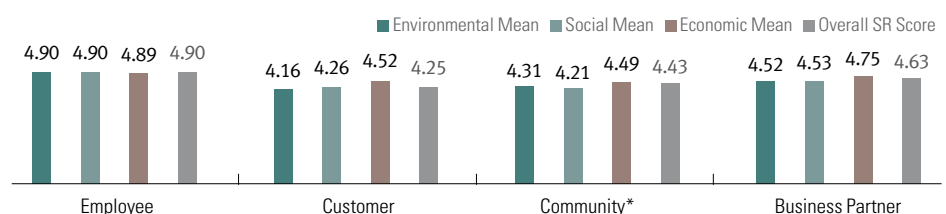
### Assessment of Social Responsibility Activities in Each Area

To enhance the effects of gathering stakeholders' opinions on Incheon International Airport Corporation's social responsibility activities, the company analyzed the stakeholder assessment of the subcategories of economic, social, and environmental activities. After the intensive examination of the company's key issues in each area of social responsibility, the company earned over 4 points (out of 5) overall. Of the activities, customers (4.75 points) and airport operation (4.72 points) activities were rated very high.



### Social Responsibility Assessment by Stakeholder Group

Incheon International Airport Corporation analyzed its social responsibility assessment results based on key stakeholders to identify each stakeholder group's assessment of its SR activities and meet stakeholders' needs according to their characteristics. As a result, of the stakeholders, employees evenly distributed high scores across all areas, and customers' ratings of environmental activities and communities' ratings of social activities were relatively lower than those of employees. Incheon International Airport Corporation will discover a variety of communication channels, as well as the website and Social Responsibility reports, to extend communication with customers and communities about social responsibility activities, and work hard to get closer to each one of the stakeholders in every part of the society by actively conducting social responsibility activities.



\*Among Incheon International Airport Corporation's key stakeholder groups, "Governments" are relatively smaller than any other group and thus included in "Communities".

## Stakeholder Interviews

Incheon International Airport Corporation considers communication with stakeholders a top priority in Social Responsibility. To listen to and understand our stakeholders, we interviewed key stakeholders from different groups, including customers, business partners, communities, governments, and employees. IIA will continue to talk with the stakeholders and incorporate their opinions and expectations into its Social Responsibility strategy. The interviews with stakeholders are shared in the report, and their comments on IIA's Social Responsibility will be reflected in its business activities.

### Customer

Park, Sang-gyu



What do you think of, in particular, when you are asked about Incheon International Airport in 2011?

One time my brother forgot where he'd parked and got lost in the parking lot. It's such an enormous parking lot, and he was really embarrassed not knowing where to find his car. Then, an employee at the airport helped find the car using the tracking system, and we were very impressed and appreciated his help. We thought this was way Incheon Airport is the world's best.

Of all the services provided by Incheon International Airport, what is your favorite?

First, the airport provides quick check-in;  
second, considering the passenger traffic, selective customs scanning saves passengers time;  
third, Incheon Airport staff are all nice and friendly.

What do you think of, in particular, when you are asked about Incheon International Airport in 2011?

In 2011, Incheon International Airport celebrated its 10th anniversary. In the past decade, which was a relatively short period of time, Incheon Airport topped ASQ for 7 consecutive years, which makes me proud to work for the airport, to have an internationally recognized airport in Korea. Personally, it was the most unforgettable moment when I was awarded "Employee of the Year," which was given to celebrate the airport's 10th anniversary.

As a business partner of Incheon International Airport, are you content with Incheon International Airport's partnership activities? What program did you find most practical?

Of the various programs led by Incheon Airport, partnership activities that were carried out under "AIR STAR Joint Promotion," "Joint Marketing to Increase Transfer Passengers," and "Joint Business Benchmarking Trip," are very important not just because they improve the airport's reputation but because they provide the partners great support. I think the airport should commercialize these programs and add more value, both intangible and tangible.

### Business Partner

Choi, Seong-jin  
Lotte Duty Free Shop



### Community

Seo, Sam-seon  
World Peace Forest



What do you think of, in particular, when you are asked about Incheon International Airport in 2011?

Incheon International Airport secured its position as the Gate to Korea and as a leading global airport, improved the country's image, and made me proud as a member of the neighborhood.

What community projects/programs would you suggest that Incheon Airport should carry out?

Yeongjongdo is not just in the airport area but also the city of education that has a special-purpose high school. I suggest that the airport build an "Eco Center" combining the local characteristics, the surroundings of the landmark or tourist attractions, and education. I think it will provide educational benefits, such as introducing the environmental project implemented by the airport, as well as a variety of other benefits for the local community.



## Stakeholder Interview

	Customer	Business Partner
Community	Government	Employee

### Employee

Im, Hee-jeong



What do you think of, in particular, when you are asked about Incheon International Airport in 2011?

2011 marked the 10th anniversary of the flight routes above the West Sea and also the year in which Incheon International Airport became the first airport in the world to top Airports Council International (ACI) Airport Service Quality (ASQ) for seven consecutive years and recognized for its excellence. Incheon International Airport is now respected not only by the airport staff but also by partners, governments, and the whole nation. Hopefully, the next decade will be a history-making one for Incheon International Airport.

What do you think of the training environment of Incheon International Airport Corporation?

Incheon International Airport Corporation's training can be applied to daily life as well. Working at an international airport, a lot of employees learn foreign languages, including English. You can easily see employees attend online lectures during a lunch break or hone their language skills during commute hours. As an employee, I am very glad to grow with the company and work under satisfactory conditions.

### Government

Park, Hyeon-hee  
 Airport Policy Department of  
 Ministry of Land, Transport,  
 and Maritime Affairs



What do you think of, in particular, when you are asked about Incheon International Airport in 2011?

I most vividly remember when Incheon Airport celebrated its 10th anniversary in March 2011. Over such a short period of time, the airport has become one of the world's leading airports, scoring highest in ASQ for 7 years straight.

What do you think Incheon International Airport should work on to implement the government's policy as a public organization?

Incheon Airport is not just an airport but a brand that represents Korea, garnering applause at home and abroad. As a public organization, the airport has done a significant job.

In the future, for Incheon Airport to carry out the government's policy and remain a nationally recognized company, it should continue to communicate with related government agencies and share the outcomes with members of the airport, including vendors.

What do you think of, in particular, when you are asked about Incheon International Airport in 2011?

The airport's decision to build the second passenger terminal was most unforgettable. Passenger Terminal #2 does not just mean a facility expansion but an important turning point for the airport, which is now moving forward based on its past-decade performance. It will also have a huge impact, directly or indirectly, on vendors and employees at Incheon Airport.

What do you think Incheon International Airport should do for mutual growth with business partners?

Now, it has been over 10 years since the airport opened, and more employees have now worked for the airport over 10 years. For the airport to maintain its competitive edge, it should prepare a policy that ensures these long-time employees who have expertise in various fields can work at the airport longer.

### Business Partner

Park, Jae-beom  
 Goam Co., Ltd.







Public Corporation  
Sustainability Index

Ranked **1st**  
for 3 Consecutive Years

A  
AA

KoBEX SM  
**AAA**

**ISO 50001**

the first company in the airport and building field  
to obtain energy management system certificate

## Social Responsibility Management

To become a global airport leader, Incheon International Airport Corporation declared 'Global Incheon Airport Vision 2015', and has actively implemented social responsibility. By accomplishing the goals in each sector, IIA intends to become a member of this society that fulfills the basic corporate values by continuously creating economic value and that is respected for its fair corporate culture. As a global leader, IIA established and implemented a strategy in each stage to become a green airport, and spreads the 'sharing' culture through social responsibility activities.



## Social Responsibility Business Strategy

### Long-term Strategy Vision 2015

Incheon International Airport Corporation created a consistent value system that links together its purpose, mission, core values, vision, strategic goals, and strategic approaches, and optimized its ability to execute and feedback by strengthening their relations. As a “Global Airport Leader” leading the world aviation industry, the company declared “Global Incheon Airport Vision 2015” and established its business strategy, action plan, and resource allocation plan for each project.

#### Long-Term Corporate Strategy Implementation



### Corporate Social Responsibility

For Incheon International Airport Corporation, to create sustainable value is to develop into a respected Global Airport Leader in compliance with its business strategy and the CEO's 5 management principles, striking a balance between business performance and social responsibility. The company has implemented social responsibility (SR) by creating the 4 Key Social Responsibility Approaches, namely, Sustainability, Community Involvement, Environmental Management, and Ethical Management, to achieve the four goals of Global Airport Leader, Respected Company, Green Airport, and Reliable Ethical Culture. The company's Ethical Management Committee was reorganized into SR Committee. SR Committee holds quarterly meetings, where the CEO, who chairs the Committee, and management make key decisions on Incheon International Airport Corporation's social responsibility. With regard to the decisions made, SR Highest Decision Making Body consisting of Community Involvement, Win-Win Partnerships, Contracts, and General Affairs teams creates a systematic action plan and makes adjustments to it by getting advice from the Stakeholder Committee. The action plan will be then sent to SR Leader and vendors, and SR Staff and SR officers will be responsible for consulting and reporting on practicing the plan at work to widespread the culture of social responsibility.



3 People



1 Growth



2 Performance



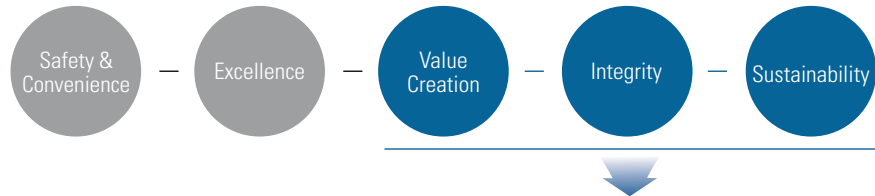
4 Ethics



5 Social Responsibility



## Social Responsibility Implementation Scheme

Business Strategy  
Core Values

SR Vision

Global Airport Leader beyond Sustainable Value Creation

SR Goals

Global Airport Leader

Admired Company

Green Airport

Reliable Ethical Culture

Approach

Economy  
SustainabilitySociety  
Community InvolvementEnvironment  
Environmental ManagementEthics  
Ethical Management

SR Organizations

**Future Growth**

Airport Construction Group

Project Development Group

Overseas Business Group

**Corporate Management Dept.**

Community Involvement Team

Win-Win Partnership Team

Contracts Team

**Energy & Environment Dept.**

Energy Management Team

Environmental Management Team

**Corporate Management Dept.**

Community Involvement Team

**Performance**

Facility Headquarters

Flight HQ

Safety &amp; Security Office

Operations HQ

**HR Development Office****Airport Facility Dept.**

Plant Facility Team

Airport Facility Team

**Audit Office**

Integrity TF Team

**Planning &  
Coordination Office****Airport Construction Group**

## SR Management Organization



## Social Responsibility Networking

Incheon International Airport Corporation joined the UN Global Compact (UNGC) to fulfill social responsibility at the global level, has complied with UNGC's 10 principles, and systematically fulfills the seven issues (subjects) of ISO 26000, an international standard for social responsibility. The company also joined the Ethical Management SM Forum, and attends monthly meetings. Lee, Chae-wook, the company's CEO and president of the Joint Leaders Club of which public service agency directors and government officials are members, is also actively engaged in the SR activities. As leader of the Joint Leaders Club, Incheon International Airport Corporation hosted the Korea Joint Conference in August 2011, and proposed a role model and an action plan to build a fair society and reinforce win-win partnerships. The company is dedicated to enhancing its global capabilities in the public sector and consolidating partnerships.

## Social Responsibility Assessment

Incheon International Airport Corporation conducts internal/outside monitoring and assessments on its SR activities on a regular basis, and works hard to implement higher levels of SR activities. In 2011, the company also gained the top grade (AAA) with 96.0 points in KoBEX SM (Korean Business Ethics Index-Sustainability Management), an annual public and private corporate sustainability survey conducted jointly by the Ministry of Knowledge Economy and the Institute for Industrial Policy Studies. The company also topped the Public Corporation Sustainability Index supervised by ERISS for three consecutive years, among the 43 public corporations in Korea.

### Social Responsibility Targets and Results

Category	Performance indicator	2009	2010	2011		2012
		Results	Results	Target	Results	Targets
Global Airport Leader	WLU (10,000)	5,121	5,975	6,400	5,993	6,280
	EBITDA (0.1 billion won)	7,300	8,189	9,800	9,905	9,370(IFRS)
	ASQ ranking	1	1	1	1	1
	Revenue (0.1 billion won)	11,866	12,860	15,000	14,966	15,350
	International passengers (10,000)	2,800	3,295	3,500	3,454	3,630
	International cargo (10,000 tons)	231	268	290	254	265
	Transfer passengers (10,000)	520	519	580	566	590
	Phase III Master Planning Process (%)	-	T2 Master plan	65%	75%	Whole process 1.89%
	Overseas revenue (0.1 billion won)	78	98	110	105	115
	Customer satisfaction (grade)	AA	AA	AA	AA	AA
	Arrival/departure (minute)	18/14	16/12	16/12	19/12	18/12
	Airport accidents (case)	0	0	0	0	0
	Safety check issues (case)	13	3	16	5	11
Admired Company	Volunteer service (hour)	1,481	2,825	3,107	3,077	3,400
	Employee satisfaction with training (out of 5)	3.4	3.6	3.6	4.1	4.35
	GWP (point)	77	82	84	89	89.5
	Security/safety accidents (case)	0	0	0	0	0
Green Airport	Energy used (TJ)	2,633	2,601	2,615	2,527	2,522
	Energy reduced (TJ)	288	162	122	156	192
	GHG reduction (tCO <sub>2</sub> )	-	8,207	6,210	7,475	9,837
	Green products purchased (%)	53	93	93	94	95
Reliable Ethical Culture	Public Service Performance Index	A	A	A	A	A
	KoBEX SM <sup>1)</sup> (point)	91.8	93.5	94.0	96.0	AAA
	Ethics awareness (point)	82.2	85.4	85.0	90.84	92.5

1) KoBEX SM(Korean Business Ethics Index): Developed by the Ministry of Knowledge Economy and Institute for Industry Policy Studies to diagnose the level of sustainability adoption of a domestic business and find development solutions. An assessment is conducted in 7 areas, including Sustainability Vision, Governance, Workplace, Vendors, Customers, Communities, and Environmental Management.

\* Energy and GHG reductions were prepared according to new criteria starting in 2010.

## Global Airport Leader

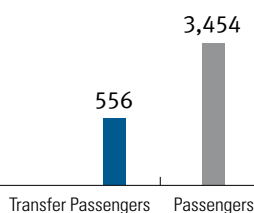
### Strengthening Airport's Hub Capabilities

A key requirement that must be met to achieve the "global airport leader" vision is that, as a hub airport, the company should have an absolutely superior competitive advantage. A successful hub airport produces tangible/intangible values across society, such as revitalizing the service and logistics industry, creating a far-reaching ripple effect for the national economy, increasing convenience for companies and the public, and improving national brand value.

**Increased Demand for Passenger Transfers** | In January 2011, in the wake of intensifying competition among Korea, China, and Japan, Incheon International Airport Corporation created a roadmap for attracting new, large Asian airlines to strengthen its airport network. Through its aggressive marketing, ranging from hosting an international airline development conference to providing updated incentives to attract airlines such as free landing fees, the company decided to open a new route in collaboration with a U.S. airline in 2012, built infrastructure for attracting local hubs, and signed a new destination agreement with a British airport. In December 2011, Incheon International Airport Corporation implemented direct marketing targeting travel agencies, including hosting a signing ceremony for its product development agreement with Australian Flight Centre, the largest travel group, and its ongoing efforts include special product development and strengthening low-season marketing.

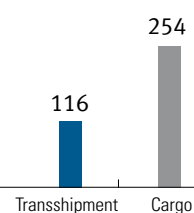
#### 8th in International Passenger Traffic | unit: 10,000 |

Transfer Rate  
**16.4%**



#### 2nd in International Cargo Traffic | unit: 10,000 ton |

Transshipment Rate  
**45.6%**



**Promoting Airport Logisticspark** | Incheon International Airport Corporation provides rent relief to those businesses that move into or expand within the airport's logistics park, which is set to open between 2012 and 2013, in order to prepare the Phase-2 airport logistics complex plan and consolidate its foundation as the logistics hub of Northeast Asia. The company also applies surtax exemptions to domestic products to improve investment conditions, diversify its investments, and promote the Logistics Park. The total cargo tonnage handled at Incheon Airport is second largest in the world for 6 consecutive years and it has the highest percentage of transshipment in Asia with 45.6%, meeting the requirements for a logistics hub.

### Paving the Way for Future Growth

For Incheon International Airport Corporation to become a global airport leader, stable expansion into the new businesses discovered through diversification is essential. The company is expanding its business by launching overseas businesses using its experience, such as topping Airport Service Quality for 7 consecutive years, its best safety and security system and airport construction. At the same time, the company commenced the Air-City Development Project using the unused, vast land surrounding the airport, which will be a future growth driver creating new demand and value added for the national economy.



**Advanced Overseas Businesses** | Incheon International Airport Corporation expands its business abroad to secure profitability for sustainable growth. In its nascent stages of business, the company focused on consulting that would not pose any financial risks, but entering the second stage of business in 2011, started participating in investment development projects, such as equity investment, contracting out, and BOT, and tries to maximize their profitability through strategic investment. In 2011, the company attracted four new projects worth 14 million dollars after focusing on emerging markets like Russia and Southeast Asia. Through equity investment in Khabarovsk Airport in Russia, the company secured a stake in the airport's operations as a shareholder, and by providing commercial facility consulting for Surabaya Airport in Indonesia, was awarded a project worth 5 million dollars. The company plans on implementing the M&A and operations of small/medium airports. Its plan also includes increasing the competitiveness of overseas businesses by helping a skilled workforce cultivate global capabilities through overseas business training programs, improving profitability by strengthening the risk management system for overseas businesses, and updating the business management process to support standard work processes.

**Air-City Development Progress and Expected Effects** | Using its geographical advantage, Incheon International Airport is developing the Air City, aiming to cement its position as Northeast Asia's leading tourism and business hub.

The company developed Phase I of International Business Center (IBC-I), the 5th runway area (golf course), a southern retarding basin (Gyeongjeong Training Field). In 2011, the company set out to attract investment in its key projects, including Phase II of IBC-I and IBC-II and Phase II Area of the basin. Connecting the neighborhoods to the airport is expected to provide enhanced support for the airport, create new demand, and also contribute to national and local development.



#### International Business Center (IBC-I) Phase II

Adjacent to Passenger Terminal, the area will be connected to Airport Traffic Center through Maglev, which will start operating early 2013. This area is connected to and an expansion of the Phase I International Business Center area



#### International Business Center (IBC-II) Area

Create airport demand by developing a recreational facility complex targeting tourists from Northeast regions using the airport's accessibility



#### Souther Basin Phase II

Korea Train Express and Maglev Station will be located in this area, where Korea Sports Promotion Corp.'s Gyeongjeong Training Facility is operated through Phase I project.

##### Development concept

Develop a facility that supports the airport (work, lodging, and commerce) and create new demand

##### Area and construction period

336,000m<sup>2</sup>  
Late 2013 to early 2018 (scheduled)

##### Progress

Preferred bidder selected (662.1 billion won)

##### Development concept

Recreational facility complex (hotel, entertainment, shopping, office facility, etc.) to attract foreign tourists

##### Area and construction period

2,458,000m<sup>2</sup>  
Late 2013 to late 2016 (scheduled)

##### Progress

Preferred bidder selected (2,723.1 billion won)

##### Development concept

Water leisure, lodging, commercial  
151,000m<sup>2</sup>(Phases I and II combined)

##### Area and construction period

42,000m<sup>2</sup>  
Late 2012 to early 2014 (scheduled)

##### Progress

Phase I completed; Phase II in progress  
(115.1 billion won)

## Admired Company

### Win-Win Partnership System for Mutual Growth

The government demands that public companies implement “Efficient Management and Modernization Policy” and take responsibility for “Building a Fair Society.” Under the three strategies, “Win-Win Partnership, Mutual Growth, and Social Responsibility,” Incheon International Airport Corporation improved program content and created a variety of communication channels to strengthen its partnerships with vendors. The company’s commitment to mutual growth and social responsibility includes guaranteeing vendors reach a certain level of profit and providing them with incentives.

**Win-Win Partnership Strategy |** To fulfill the CEO’s resolution to promote win-win partnerships, Incheon International Airport Corporation created a Win-Win Partnership Process in connection with its business strategy, and has since encouraged the implementation of the process by making the partnership results the responsible management’s performance indicator. In 2011, the company held 11 CEO meetings with vendors and worked on 74 issues. The opinions collected through the communication channels are analyzed under the supervision of SR Committee, all departments are responsible for overhauling the operating system and support programs, and Win-Win Business Team leads the extension of the win-win partnership culture with stakeholders to secondary vendors.

#### Win-Win Partnership Process

Goal	Fulfill Mutual Growth and Social Responsibility		
	Identify and Improve Partnership Projects	Create and Support Win-win Partnership Culture	Support Small Businesses’ Independence
Strategy	Operate communication channels and identify improvement issues	Establishing consensus throughout the whole company by leader’s proactive attitude	Purchasing products of SMEs
	Commitment to improving support programs and results	Pursuing co-growth with stakeholders	Providing financial support
Tasks			Enhancing business partners’ capabilities
			Supporting joint research and development
Implementing Organization			Entering into a new market together
	SR Committee		
	Corporate Management Team	Commercial Team	Terminal Facility Team
	R&D Group	Corporate Management Committee	Support Manager for Government Encouraging Policies
	2nd Committee for the Co-growth with subcontractors	Consultative Body for Co-growth Collaboration	Operating Committee for FTA Zone
		Commission on Contracting	Support Center for Residents
			Research Task Commission
			Industry-academic Cooperation Foundation for R&D

**Creating Win-Win Partnership Culture |** Incheon International Airport Corporation celebrates Partners’ Day (May), operates a variety of communication channels at different levels of the organization, and shares the value of win-win partnership. In 2011, the company signed Win-Win Partnership and Fair Trade Agreements with 9 small and medium vendors, and intends to spread the culture of fair trade to stakeholders by practicing fair trade and helping develop the capabilities needed for the partnerships.



2011 Win-Win Partnership Week Opening Ceremony



Partners’ Day (Hanmaeum Big Festival)

## Community Involvement Process

Incheon International Airport Corporation successfully executed the local community involvement project by offering local residents compensation following the construction and focusing community involvement activities within the community. With increasing demand for social responsibility both at home and abroad, the company created an innovative community involvement policy in 2011, extended the activity target and scope to “customers, communities, and global society” to become a company respected both in Korea and around the world.

## Community Involvement Strategy

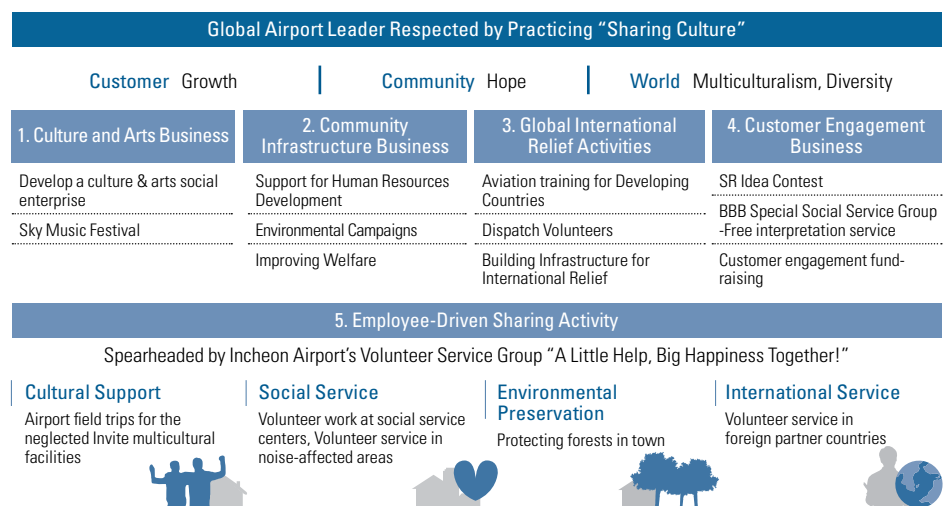
Incheon International Airport Corporation focuses on local community involvement, culture and arts involvement, global community involvement, and customer-engaged community involvement activities. Spearheaded by Incheon Airport’s Volunteer Corps, community involvement activities have been carried out through fund-raising, donations, material support, and other social services. The company performed local community involvement activities by taking the community’s needs into consideration, and has been expanding the activities by encouraging customer engagement. Community Involvement Team is responsible for handling stakeholders’ demands for the community involvement policy.

### Community Involvement Vision

### Principles

### Business Areas

## Community Involvement Process

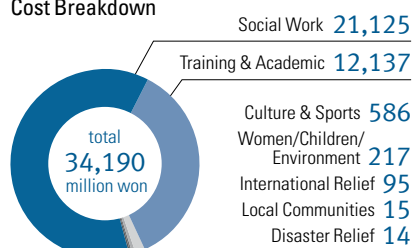


## Community Involvement Results

Through customized sharing activities based on employees’ capabilities, Incheon International Airport Corporation consolidated bonds between employees and, through the specialized community involvement activities in connection with its business strategy, built trust in local communities. In 2011, the company spent 34.2 billion won (42.9 billion won based on IFRS).

### Community Involvement Cost Breakdown

[unit: million won]



1) If IFRS is applied, community involvement cost 39.8 billion won in 2009, 1.6 billion in 2010, and 42.9 billion in 2011.

### Community Involvement Cost Breakdown per Activity<sup>1)</sup>

[unit : thousand won]

Category	2009	2010	2011
Training & Academic	15,837,447	23,725,116	12,137,535
Culture & Sports	88,025	126,000	586,000
Social Work	2,933,009	5,878,735	21,125,854
Women/Children/Environment	303,500	174,500	217,500
Local Communities	287,054	525,845	14,998
International Relief	66,500	161,840	95,000
Disaster Relief	1,000	54,425	13,962
<b>Total</b>	<b>19,516,535</b>	<b>30,646,461</b>	<b>34,190,849</b>



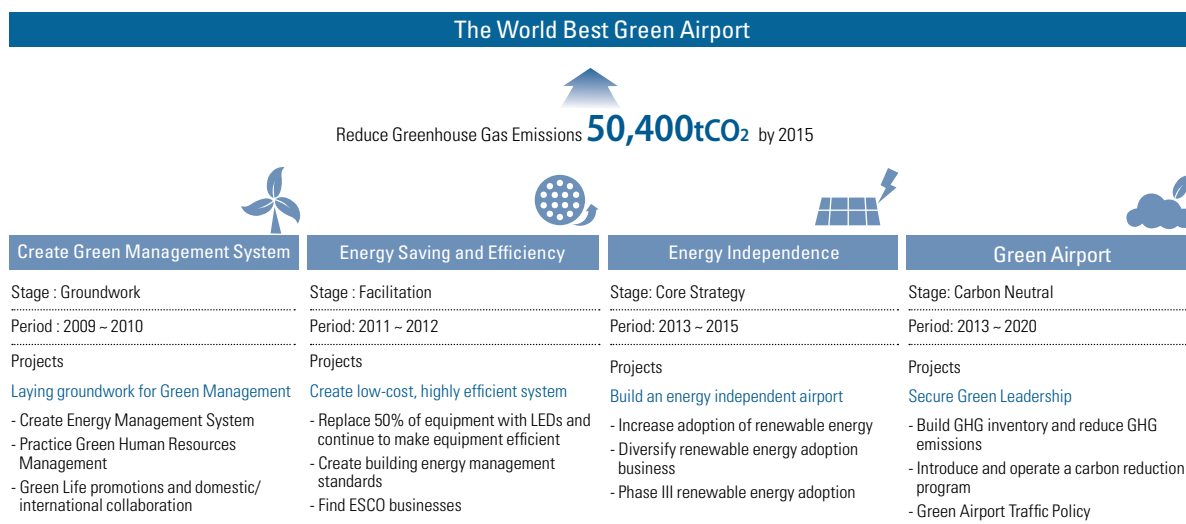
## Eco-friendly Green Airport

### Green Airport Process

In April 2010, Incheon International Airport Corporation signed the Greenhouse Gas/Energy Target Management System Agreement with the government and established mid- and long-term strategies (2011 to 2015) to achieve the reduction targets. Aiming at reducing greenhouse gas emissions by 50,400tCO<sub>2</sub> by 2015, the company will create a low-cost, high-efficiency system in 2012 and transform the airport into an energy-independent and Green Airport by 2015. The company's Green Growth Committee holds half-yearly meetings to monitor the energy management targets and results. Energy and Environment Department under Flight Headquarters and Airport Facility Department under Facility Headquarters are jointly responsible for green management activities. Each department selects the best Energy Guard employee to make sure that saving energy is practiced on a daily basis.

### Eco-friendly Green Airport Strategy

Incheon International Airport Corporation created its Environment Policy and Energy Management Policy to build a green airport. In 1998, the company obtained environmental management certificate ISO 14001 in the airport construction field, then another certificate in the airport operations field in 2002. The company continues to have an authorized accreditation agency examine the operating status of its Environmental Management System and make necessary improvements. Incheon International Airport Corporation created its own Energy Management System and became the first company in the airport and building field to obtain energy management system certificate (ISO 50001) in February 2012. Through the company-wide, efficient energy management system, the company reinforces energy-saving activities and works hard to establish the virtuous cycle of airport industry development and environmental problem-solving through the eco-friendly, low-carbon mechanism. Incheon International Airport Corporation also publishes annual Green Reports to share with stakeholders its commitments to becoming the world's best green airport and the results.



Hybrid Car



Renewable Energy Pilot Program(Park)



Bike Road



## Reliable Ethical Culture

### Ethical Management Scheme

To build “Clean Airport” by 2012, the company aims at enhancing integrity and internalizing an ethical climate, and also plans on leading global ethical management by enforcing ethical management at the global level by 2015.

In 2011, the company launched Integrity Ombudsman and Integrity and Ethics Group and reorganized Ethics Committee into a bigger SR Committee, increasing the roles of teams/groups responsible for ethical management. Each department appointed Ethics Officers (38) and each headquarters Ethics Leaders (6), leading the practice of an ethical corporate culture. To strengthen its anti-corruption and integrity activities, the company reinforced the roles of Integrity Team, which supervises Inspection Group, System Enhancement Group, and International Relations Group, and invited outside experts to work at Integrity Ombudsman to get their advice on the integrity policy. Collaborating with vendors, the company appoints an Incheon Airport Clean Compact Officer per in-house agency and works hard to spread the ethical culture across the entire airport.

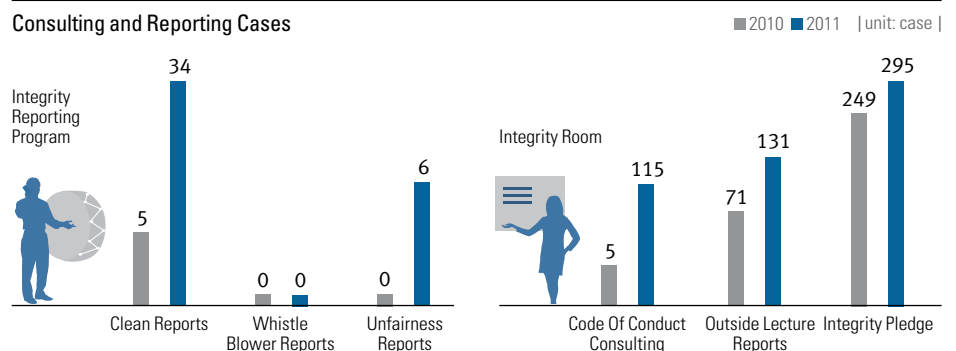
### Ethical Management Strategy



### Programs and Systems

Incheon International Airport Corporation strengthens the effectiveness of ethical management by putting forward clear standards through its revised regulations, including ethical regulations. The company operates Integrity Mileage Program and reflects the results in employee assessments. The company also increased monetary rewards and incentives for whistle-blowers and improved employees' ethical awareness and practice. By launching Integrity Reporting Program and Integrity Room, the company encourages employees to report on Code of Conduct consulting, Integrity Pledge, and outside lectures, as well as ethical management and anti-corruption, and ensures reporters' confidentiality through Reporter Protection Program. In 2011, there were no reports on corruption, and the company designated holiday periods prone to corruption as Ethics Enforcement Period to reinforce ethics.

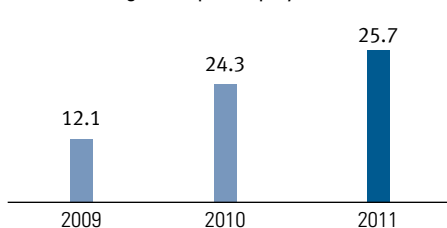
### Consulting and Reporting Cases



### Training and Practice Programs

Incheon International Airport Corporation made it mandatory for leaders of headquarters, departments, and teams to convey messages on integrity when holding workshops. Employees are also obliged to complete cyber ethics training before taking self-development courses. As a result, 796 employees, 95.4% of all employees, completed cyber ethics training. After the creation of tailored courses at different levels (e.g. course for executive officers), the number of training hours increased to 25.7 (relative to 24.3 hours in 2010) per employee. The company also operates Newspaper Test through which employees self-test their ethical awareness by solving five questions, and Red Face Test through which they test themselves using examples of dilemmas. Through customized ethics training and self-practice programs, Incheon International Airport Corporation is committed to internalizing ethical behavior.

Ethics Training Hours per Employee | unit: hours |



Ethics Training Hours per Employee

**25.7** hours



% of Employee Training Ethics

**95.4%**



Most Ethical Company in Korea(Public Company)



UNGC Awards Best Practice in Ethical Management

### Ethical Management Training Programs and Hours

Eligibility	Program	Attendees	Hours
Ethics Officers	Advanced training	36	8.0
	Workshop	25	4.5
Executives	Integrity training	118	6.6
Vendor Supervisors	Special lecture on integrity	76	2.0
New Recruits	Ethics training for beginners	20	2.0
All Employees	Ethics meeting	834	1.0
	CEO integrity training	450	1.0
	Special lecture on ethics	820	2.0
	Ethics Newsletter	834	1.0
	Cyber ethics training	796	20.0



Incheon International Airport Clean Compact

### Incheon International Airport Clean Compact

Clean Compact is stakeholders' joint pledge to practice social responsibility. Starting with vendors, in-house agencies, and international airlines in 2007, the scope of Clean Compact has extended to in-house businesses (2010) and logistics companies and subsidiaries (2011), with a total of 90 organizations pledging their commitment to practicing social responsibility. For its commitment to building a transparent, fair airport, the company was selected as the Best Ethical Management Practice by the UN Global Compact (UNGC) in 2011.

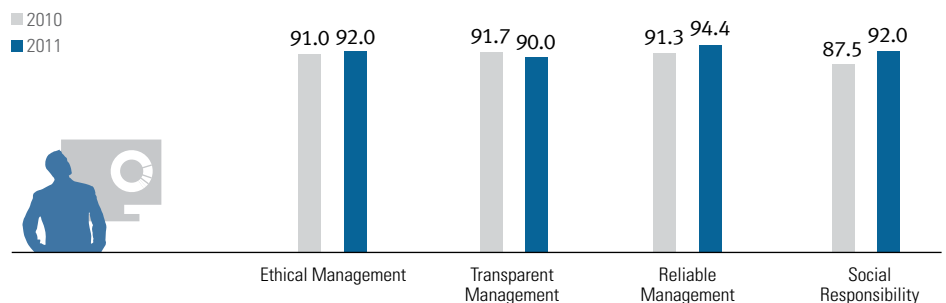
#### IIA Clean Compact Development Process

Participating Organizations	2007	2008	2009	2010	2011
IIA	Transparency, Ethics	Transparency, Ethics	Transparency, Ethics, Environment	Transparency, Ethics, Environment, Energy, Community Involvement	Transparency, Ethics, Environment, Energy, Community Involvement, Win-win Partnership
Vendor	-	-	-	-	-
In-house Agency	-	-	-	-	-
Airline Company	-	-	-	-	-
In-house Business	-	-	-	-	-
Logistics Company	-	-	-	-	-

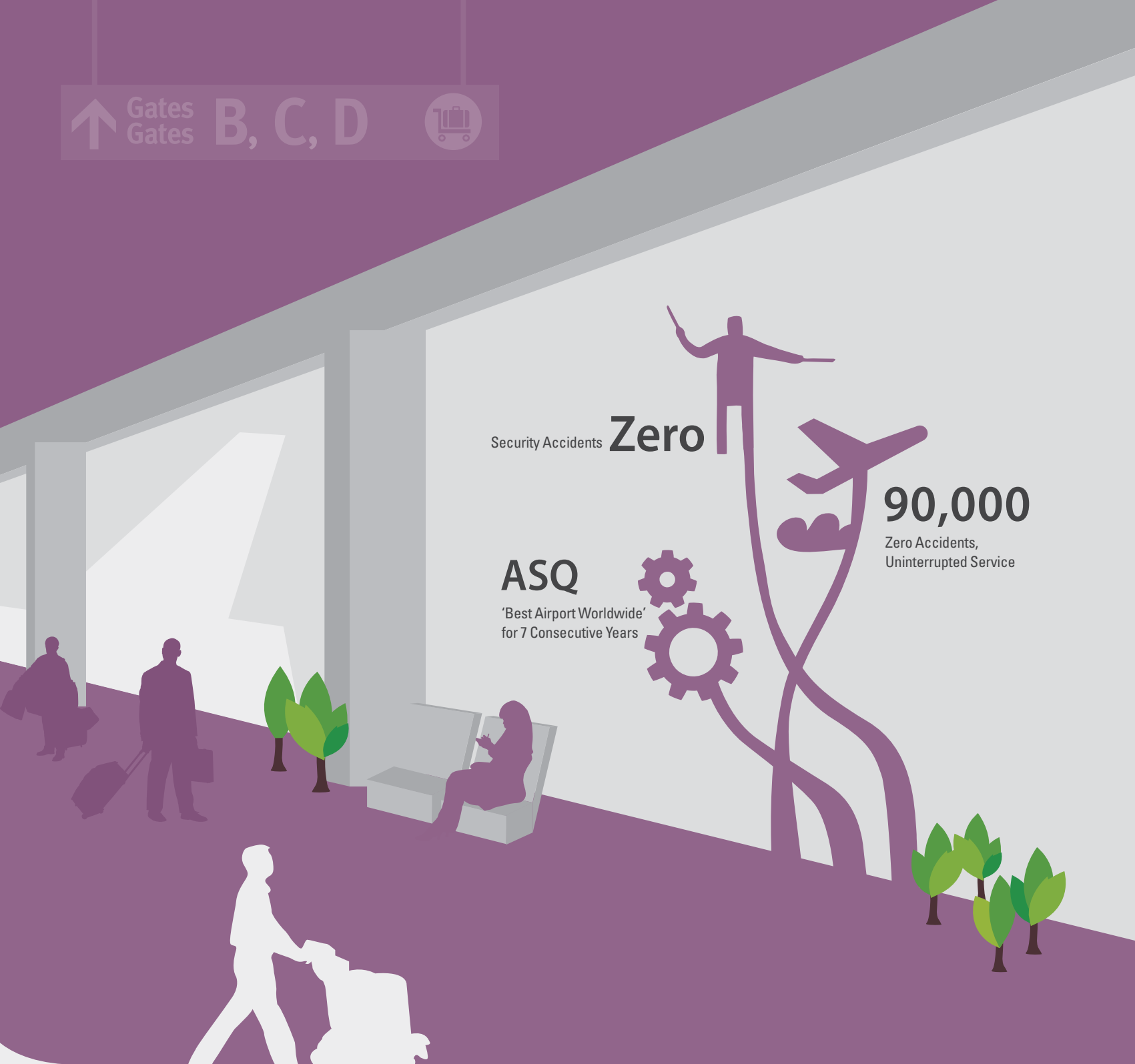
### Ethics Management Monitoring

Incheon International Airport Corporation developed its own ethical management assessment model called the Incheon International Airport Corporation Integrity Index. Integrity Index consists of 32 indicators in four areas, and quarterly/half-yearly/annual monitoring is conducted per indicator to head off ethical risks. Incheon International Airport Corporation also reinforces ethical management and integrity activities through outside monitoring, including KoBEX SM Index, Anti-Corruption and Civil Rights Commission Integrity Assessment, and Anti-corruption Policy Assessment. In 2011, the company gained an AAA rating scoring 96.0 points in KoBEX SM Index, received an "Excellent" grade in Anti-corruption Policy Assessment for two consecutive years, and ranked second among public companies in Anti-Corruption and Civil Rights Commission Integrity Assessment with 9.09 points. Incheon International Airport Corporation received an Excellence Prize at the 2010 Sustainability Awards, and the Grand Prize at the 2011 Sustainability Awards organized by the Ministry of Knowledge Economy and the Small and Medium Business Administration.

#### Integrity Index Results



\* Scores were calculated by updating the indicators since 2010  
(the development of a model for quantifying indicators of ethical management began in 2009)



Security Accidents **Zero**

**ASQ**

'Best Airport Worldwide'  
for 7 Consecutive Years

**90,000**

Zero Accidents,  
Uninterrupted Service

## Stakeholder Management

To deliver the best value and satisfaction that exceeds customers' expectations, Incheon International Airport Corporation gathers the opinions of various stakeholders, including customers, business partners, communities, governments, and employees, incorporates them into material issues, and regards proactive company-wide response as a basic principle of social responsibility. Through its commitment, the company opens a channel of communication with stakeholders, and will build an Incheon Airport respected by all stakeholders.

## Business Partners

Incheon International Airport works with about 35,000 people employed by 38 vendors, 67 airlines, 23 in-house agencies, 63 in-house businesses, as well as Incheon International Airport Corporation. Responsible for creating airport services in collaboration with IIA's employees, 6,000 employees from 38 vendors work at Incheon Airport. Incheon International Airport Corporation values win-win partnerships with business partners, and supports their growth by consolidating the partnerships and increasing communication channels at different levels. The company currently intends to extend partnerships to secondary vendors, aside from primary vendors.

### Definition of Business Partner and Communication Channel

About 6,000 employees at 38 companies in airport operations, facility maintenance, and IT areas

- Partners' Day
- Win-Win Partnership Committee

About 6,000 employees at 23 government agencies, including Immigration Office, customs, quarantine station

- Agency Representatives' Council (weekly)
- Airport Family's Hanmaeum Festival



67 airlines that fly to Incheon Airport

- Airlines' Meeting (10 sessions)
- Joint workshops

63 businesses operating within the airport

- Joint Promotion Council (duty-free shops/frequently)
- Free Trade Zone Council (logistics companies/4 sessions)
- IBC Business Council (4 sessions)

## Fair Culture

1) Unclaimed baggage: Among restricted items, any articles unclaimed by passengers under the Civil Aviation Safety and Security Act.

### Improving Programs and Practices

Incheon International Airport Corporation made work processes available on its website to prevent any civil complaint omissions and improve fairness. To enhance the fairness awareness of field employees who work with business partners, in June 2011, IIA incorporated outside expert engagement into internal performance appraisals to enhance the objectivity and fairness of appraisals, and overhaul its monitoring program by launching Corruption Impact Assessment Group. The company also started selecting donation agencies through an open screening process, instead of donating unclaimed baggage<sup>1)</sup> to social service organizations.

### Creating Fair Trade Culture

Incheon International Airport Corporation enhanced fairness by fine-tuning its corruption reporting guide, which comes with a notice of tender or a contract, to provide better guide to using the unethical behavior reporting channel. To ensure fair and transparent contractual and trade relations with stakeholders, IIA consistently performs program overhaul, including annual investigations into unfair contracts. The company also created a subcontract management program, which takes into account the actual construction conditions, reinforced management activities, and eliminated delayed payments to subcontractors. Further, the company formed a Win-Win Partnership Council through which contractors and subcontractors can develop partnerships, and provided technical support to build real partnerships. Additionally, the company created a fair, transparent contract program to offer small businesses, women and disabled employees and social enterprises bonus points and increase their opportunities to participate.



## Partner Support Programs

1) IATA-Freight: A global project by IATA designed to replace printed records on air cargo with electronic documents to save time and money.

### Vendor Assessment and Compensation

Incheon International Airport Corporation runs a performance-based compensation program, which allows contract extensions and provides incentives to top-performing partners based on the SLA (Service Level Agreement) assessment results. In 2011, IIA extended contracts with 10 top-performing vendors. In the same year, the company was recognized for its commitment to sharing the results, and received Best Sharing Prize by the Ministry of Knowledge Economy.

### Logistical Capabilities Support

IIA secured convenience and safety for in-house businesses by operating joint control to keep order in the Free Trade Zone and by overhauling its vehicle traffic system in dangerous areas. In particular, the company extensively adopted IATA-Freight<sup>1)</sup>, which replaces printed documents regarding air cargo with electronic documents to save time and money, and built IT infrastructure for air logistics by unifying international and domestic customs. The company also expanded eligibility for land use fee exemptions for domestic companies in the Free Trade Zone and launched the "Expansion" incentive for in-house businesses to attract more investment in the Free Trade Zone.

### Improving Bidding and Contract Processes

Incheon International Airport Corporation restricts a vendor's eligibility for bidding for a certain period of time if the vendor violates the integrity provisions applicable to every contract bidding process to prevent any unethical behavior in bidding and contracting processes. By introducing the Electronic Bidding System, IIA is now able to speed up bid processes, and has secured transparency in assessments by making a panel of judges and assessment results available on the Electronic Bidding System. To promote mutual growth, the company set out special provisions for facility construction and strengthened its ability to execute by penalizing any company that violates provisions regarding direct construction, subcontract management, subcontract payment, and delayed payment in bidding processes.

#### Number of Electronic Bidding and Amounts

	2009	2010	2011
Number of electronic bids	203	308	385
% of electronic bids	95.8	100	100
Amount of electronic bids (0.1 billion won)	4,754	1,134	3,477

### Financial Support

Incheon International Airport Corporation increased the percentage of advance payments to secure liquidity for small/medium businesses, and enforced and completed the direct payment and subcontract payment confirmation programs 100%. Advance payments worth 19.5 billion won were paid to 98 contracts, 15 payments (4.8 billion won) were directly made to subcontractors, and 40 payments (11 billion won) made to subcontractors were confirmed to prevent delayed payments or delayed wages. IIA also supports indirect financing to provide partners' operating capital through Procurement Purchase Loan and Unsecured Loan, launched the Fixed Price Program to reflect price fluctuations, and achieved 100% cash payment.



IIA's Win-Win Partnership Workshop



Workshop for Vendor's Field Managers

### Increasing Public Procurement

Incheon International Airport Corporation reflected “Government-Recommended Procurement Ratio” in KPIs and appointed 161 government policy managers to reinforce the management of joint procurement. In 2011, 60% of IIA’s purchase worth 277.6 billion won came from SMEs, and in November that year the company received the Prime Minister’s Award with regard to joint procurement. The company also gives extra points when examining the qualifications of social enterprises, top-performing companies in terms of female employment, women’s companies, and companies with best gender equality, and purchases products from women’s companies or social enterprises when buying over 3 million won.

Amounts Purchased from Small Businesses/Social Enterprises		unit: 0.1 billion won		
	2009	2010	2011	
Total amount purchased	4,318	4,338	4,591	
Amount purchased from women owned business	390	522	529	
Amount purchased from social enterprises	-	1.3	2.7	
Amount purchased from SMEs	2,192	2,183	2,776	

## Partner Empowerment Support

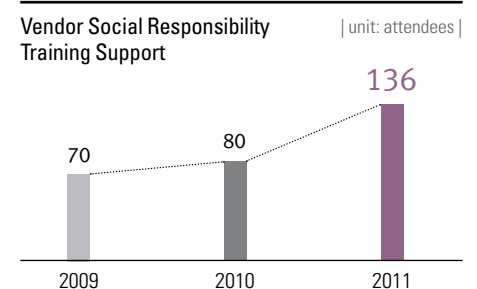
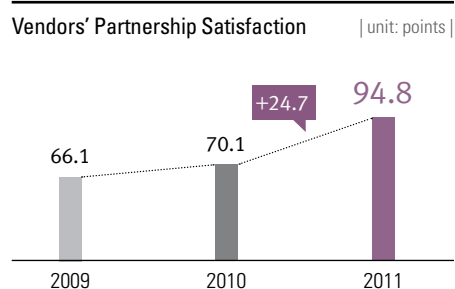
### Supporting Partners’ Social Responsibility

Incheon International Airport Corporation sends monthly Integrity Newsletters to business partners and publishes the Integrity Guide Book to notify its ethics resolutions. IIA also launched Integrity Task Force to share cases of corruption. In addition, the company offered management training for vendors on the Internet or through in-class training and workshops, provided integrity lectures for vendors’ supervisors, and conducted labor relations training for field managers. Incheon International Airport Corporation also runs Integrity Call Program through which to listen to contractors’ opinions on the company’s transparency and responsibility, receive suggestions, and share its determination with the partners. Through its social responsibility (SR) activities with partners, vendors’ partnership satisfaction increased dramatically from 66.1 points in 2009 to 70.1 points in 2010 and to 94.8 points in 2011.

### Boosting SME’s Independence

Incheon International Airport Corporation introduced a Productivity Management System (PMS)<sup>2)</sup> to play management advisory roles by sharing best quality and management practices. IIA supervised 6 Sigma projects in the fields of machinery, plants, and facility environment, and provided 4,170 people with security technical training, including surveillance. Each year, the company offers 90 vendor employees the opportunity to benchmark top-performing international airports and helps vendors increase independence with substantive support, e.g. joint research and development, laying the groundwork for win-win partnerships.

2) Productivity Management System (PMS): A program designed to provide management consulting to help a SME improve sustainable productivity



## Customers

Incheon International Airport Corporation used cutting-edge technology to shorten arrival and departure times (the world's shortest). IIA also developed "Air Star Avenue" to utilize the airport's commercial facilities as a comfortable shopping center and a modernized cultural space, and has implemented its mission successfully, "More than an Airport, Beyond Expectations" and delivered best satisfaction and value to customers. Incheon International Airport Corporation created the Airport Operation Center (AOC) to manage the airport efficiently and enhance its emergency preparedness capabilities, and integrated the Situation Control Center and Passenger Terminal Control Center to strengthen site access and coping skills. Further, the company relocated anti-terrorism duties to the Airport Security Department so that they can be applied to security situations and explosives management duties, which will increase anti-terrorism efficiency. In addition, the company continues to operate the airport uninterrupted for 90,000 hours without accidents through the strict operation and management of the safety and security system.

## Best Safety & Security System

Flight Operations Safety Commitment	unit: case		
	2009	2010	2011
Aviation accidents	0	0	0
Ground accidents	11	6	5
Bird strikes (per 10,000 flights)	6	7	0

1) Obstacle Detection System: When there's any building (re-)construction within System through which it is testified whether the (re-)construction nearby the airport is against the altitude restrictions.



Uninterrupted Service  
for 11 Consecutive Years

**90,000** hours



Bird Strikes

**ZERO**

### Modernizing Flight Safety System

**Reinforce Safety Management System** | Incheon International Airport Corporation holds quarterly meetings of the SMS (Safety Management System) Committee to create a standard work process regarding safety and ensure systematic management. The Committee held seven meetings in 2011 to assess risks and overhaul 25 safety facilities and procedures. The company also provides airport safety seminars with the Ministry of Land, Transport, and Maritime Affairs, airlines, and ground handling providers and shares the operations and overhaul results of NAVAIDS (navigational aids) to prevent the recurrence of incidents. The company is actively engaged in prevention and guidance activities, including facility and regulation overhaul and the publication of a guidance book and safety newsletters.

**Zero Accidents through Prevention Activities** | Incheon International Airport Corporation overhauled the Obstacle Detection System<sup>1)</sup> to eliminate risks in advance, and to prevent bird strikes, performed joint control with an outside workforce, and eliminated the causes of a bird strike, achieving "zero" bird strikes. IIA examines compliance with the Risk Response Process through simulation training, offers regular emergency Apron Control Center dispatch and ground safety training to improve coping skills. In 2011, there were only five ground safety accidents, exceeding the target (11), but the company intends to achieve zero accidents through strict prevention activities.

**90,000-Hour Uninterrupted NAVAID Operations** | Incheon International Airport Corporation conducted 32 sessions of regular flight testing under the supervision of the Flight Test Center of the Ministry of Land, Transport, and Maritime Affairs, passed them 100%, and secured the reliability of all NAVAIDS. IIA overhauled 9 key facilities, including the Remote Monitoring System, and has worked hard to create a quick response process. In April 2011, the company set up a plan for developing navigation professionals and offered 29 courses, which were attended by 116 people, strengthening its capabilities. To modernize flight quality, Incheon International Airport Corporation reached 90,000 hours of uninterrupted service in July 2011 for 11 consecutive years.

### Reinforcing Airport and Aviation Security

**Achieve World's Best Security Quality** | Incheon International Airport Corporation conducts security checks for international organizations like International Civil Aviation Organization (ICAO), foreign governments, and monitoring agencies. Since 2008, International Civil Aviation Organization (ICAO) has conducted the aviation security assessments of 190 member-states, and in August 2011, Incheon International Airport Corporation was evaluated on 730 items in 299 categories, including laws, regulations, employee qualification training, and inspection activities. South Korea's compliance with international standards was 98.57%, well above the world's average of 68.23%, and honored as "One of the Best in the World." In 2011, the Australian and U.S. governments performed "Airport Security Assessments" to check the security status of airports of departure, from which aircraft flew to airports in the two countries, and of related airlines. IIA was also evaluated and recognized for its regulations and security system, which exceeded the international standards.





**Higher-Level Security Management** | To reinforce its security commitment and provide customer-centric services, Incheon International Airport Corporation manages security levels through simulation training, unexpected assessments, regulation and procedure compliance checks, and by identifying security risks. In 2011, the company created its own standards that far exceed international standards, extended the scope of its security plan to ground traffic control, as well as air traffic control, and began enforcing higher levels of security by subjecting all resident employees in the entire protection zone to security checks. Incheon International Airport Corporation provides a variety of training sources, such as training courses, including aviation security, and body scanner simulation, to strengthen security staff's capabilities and improve security quality. Security officers always stay close to customers and thus run the risk of breaching human rights. The company, therefore, provides human rights training, as well as CS training, regarding anti-sexual harassment, disabled people awareness, and passenger human rights protection. Incheon International Airport Corporation selects risk factors and, through simulation training and self-checks, provides quick, early response and action in the event of an emergency, maintaining the number of security accidents at zero.

#### 2011 Training for Security Officers

[ unit: hours ]

Category		Human rights	Service	Anti-terrorism	Job training	Personality
Security officers	Total training hours	12	108	68	192	60
	Training hours per person	1.5	13.5	8.6	24	8.2
Security guards	Total training hours	9	36	54	264	69
	Training hours per person	1.5	6	9.2	43.8	11.6

#### Reinforce Domestic and International Cooperation

Airport security can be reinforced through close collaboration between Incheon International Airport Corporation, in-house agencies, airlines, and in-house businesses. In 2011, to reinforce its collaborative system, IIA held 12 meetings of Anti-Terrorism Security Council, conducted joint inspection and training, installed hotlines, and shared CCTV footage with the police. By holding annual aviation security seminars, the company provides a place for exchange and communication. At the 7th seminar held in November 2011, 64 agencies and 385 people attended. In 2011, the company provided 155 employees from foreign airports with training on security operations systems, and shared its security experience with foreign airlines, leading the aviation security field.

#### Disaster and Facility Safety System

To enhance its emergency preparedness capabilities with a standard IT operating system, Incheon International Airport Corporation got certified under ISO/IEC 2000. IIA provided emergency training per safety hazard, such as runway explosion, system failure, aircraft accidents, fires, power interruptions, and communication disruptions, and created a systematic emergency manual to strengthen its disaster response capabilities. In 2011, the company received the President's Citation as the "Best Organization in National Disaster Management Assessment," which evaluated 91 organizations, including central government departments and public agencies, under the Ministry of Public Administration and Security. In April 2011, the company signed MOUs with four organizations, including Korea Electric Power Corp., to maintain the stability of the airport's power supply system and enable automatic power supply in the case of emergency. In June 2011, the company succeeded in operating power services for 100,000 hours uninterrupted.

To improve earthquake preparedness, Incheon International Airport Corporation already ran earthquake and tsunami safety tests over all airport facilities. The company also reinforced the capabilities of 24/7 Storm and Flood Situation Room to prevent floods and heavy rain rated A in safety inspection, which was conducted to test the stability of key facilities, such as Passenger Terminal and Control Tower.

#### Current Disaster and Emergency Preparedness [ unit: case ]

Category	2009	2010	2011
Serious disasters	0	0	0
Disaster simulation training (sessions)	12	12	12
Correction requests from external safety checks	13	3	5



## Comfortable & Convenient Airport Services

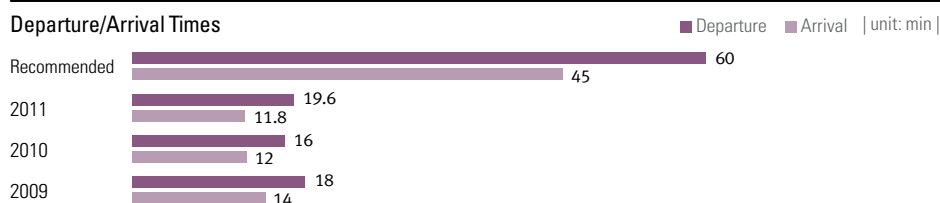
### Building U-Airport with Customer-Centric Passenger Process

IIA enables fast check-ins using a cyber terminal ([www.cyberairport.kr](http://www.cyberairport.kr)), an integrated online service designed to help passengers get ready for their trips fast anytime, anywhere. This one-stop online service can handle departure, arrival, and transfer services at once, and has simplified the departure process through the batch processing of boarding pass purchases, roaming, and currency change.

### Building a Faster Airport

Using cutting-edge IT, Incheon International Airport Corporation has worked hard to provide the optimized (quickest) route for passengers by analyzing key passenger facilities, such as check-ins and transfers. To promote user-centric convenience, the Service information counters were re-arranged by job category and function, shortening the amount of passenger movement by up to 16 meters, including traffic, lodging, tourism, and foreigner information. The company also saw an increase in late-night airport use by offering 24/7 services to help passengers avoid chaos. Fast scanning for security purposes is available for emergency passengers to prevent delayed departures and missing passengers. The Early Check-in Service, which used to allow check-ins three hours before departure, now offers extended check-in hours so that Korean nationals can check-in at any time they want after 6:30 in the morning. In 2011, the required departure time was 19.6 minutes on average, a 16-minute increase from the previous year, which however stemmed from the extended security scanning time according to the G20 Summit Manual.

#### Departure/Arrival Times



### Customer-Centric Shopping Environment

Incheon Airport was the first airport in the world to open stores for Louis Vuitton and Tiffany's, two of the top 10 luxury brands, which topped global duty-free sales by earning 1.53 billion dollars. Incheon International Airport Corporation developed AIRSTAR Avenue, a duty-free zone brand, and conducts joint marketing in collaboration with 70 stores and about 500 brand facilities. The company upgraded customers' needs, launched customized promotions, and in 2011, received the Best Duty-Free Award from Business Traveler, an internationally recognized travel magazine.

### Creating Clean Airport

Facility overhaul is performed to provide Incheon Airport users comfort and relaxation. Ladies' lavatories were expanded and sanitary facilities increased to reduce any inconveniences for female customers. By 2014, IIA aims at expanding all lavatories. Further, as more areas experience the discomfort caused by small smoking rooms and odor, the company expanded air-conditioning facilities, increased the frequency of ventilation, improved indoor air quality, and achieved the Best Airport in Ministry of Environment's assessment in the category of cleanliness.

### Aiming to Become Culture-Port

IIA built cultural facilities, such as the Museum and the Traditional Culture Experience Center, to transform the airport into a cultural space. Incheon Airport became the first airport in the world to offer 24/7 cultural experiences, exhibitions, and performances, which are impossible to experience at any other airport. Incheon Airport provides esoteric programs consisting of a variety of contents. To help passengers have a great time and foreigners to understand traditional Korean culture and arts better, the company opened the Traditional Culture Experience Center and the Korean Cultural Museum in 2011, which provide opportunities to experience traditional Korean culture. Royal Family Parade (in service 24/7; twice a day) is popular among passengers and plays a role in spreading traditional Korean culture around the world.

#### Users of Traditional Culture Experience Programs

| unit: 10,000 |

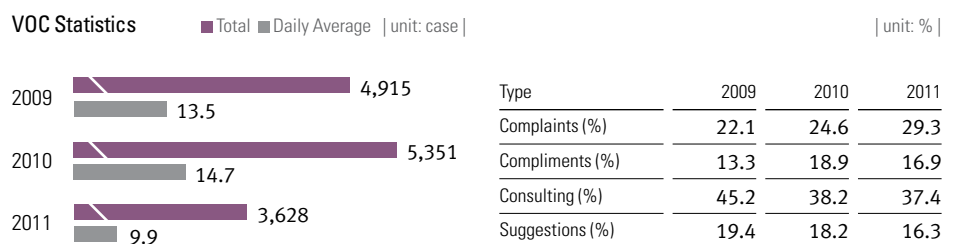
Category	2009	2010	2011
Cultural space users	43.1	48.6	62.3
Culture experience (Royal Family Parade) audiences	38	50	120

## Customer Satisfaction Management

### CS Process

Incheon International Airport Corporation implements Customer Satisfaction (CS) to practice a new airport paradigm that exceeds customers' expectations and deliver best satisfaction and value. IIA has appointed a Chief Customer Officer (CCO) responsible for customer management and satisfaction, CS Management Team supervising in-house CS responsibilities within the corporation, the CS Network and Field Interface Team responsible for airport-wide CS activities, and finally, CS-Specialized Team. IIA works hard to identify issues that need improving through a stronger CS network and consolidates the staff's attitudes towards services through the Service Enhancement Committee, CS Leaders' Council, and the Voice of Field (VOF).

### VOC Statistics



### Programs and Systems

International Airport Corporation provides services based on the Service Quality Control system, Service Manual, and Service Standards, and performs monitoring of quality satisfaction and interface services regarding key services, shopping environment, and public transportation. IIA complies with the Service Standards across all airport services. IIA renewed ISO 9001, a quality certification program targeting 69 items, including passenger services, facility operations, and aviation safety, and has expanded infrastructure for customer-centric services.

### Strengthening CS Skills

Incheon International Airport Corporation provides both airport and non-airport staff with CS training and runs rewards and incentives programs to encourage spontaneous practice. In 2011, 945 employees completed CS training and reinforced their service mindsets and skills. Further, Incheon International Airport Corporation uses its CS skills for CS consulting and global training. In 2011, 77 employees of foreign airports attended the company's Global Training course, 718 people visited the airport to benchmark its CS (a total of 6,132 since the opening), proving that the company's CS skills are recognized at home and abroad.

### Information Disclosure

In accordance with its Information Disclosure regulations, which were created based on the Act on the Management of Public Agencies and the Monopoly Regulation and Fair Trade Act, Incheon International Airport Corporation discloses its business information at related sites, including its website and electronic disclosures. To ensure the credibility and timeliness of data, an officer is appointed to each item, responsible for keeping disclosures up to date on a regular basis. In 2011, IIA disclosed business information on 76 items, which was the highest level of disclosure among public companies. The company also shortened the disclosure period from 10 days to 7 days at the public's disclosure request to fulfill their right to know. IIA's independent overhaul caused zero complaints from the outside regarding its business disclosures for five straight years.

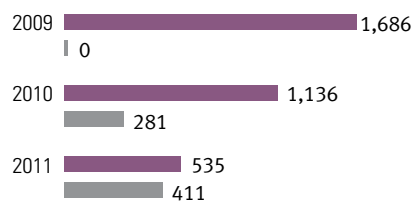
### Customer Privacy

Incheon International Airport complies strictly with the Privacy Regulations as a Grade "A" National Security Facility and is committed to preventing information leakage and protecting customers' personal information. The company focuses on protecting customers' privacy using its own manual, including the personal information, baggage descriptions, and departure/arrival times obtained through its immigration process and online system called U-Airport.

### CS Training Status

| unit: case |

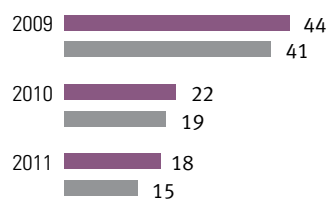
■ Airport staff (IIA, vendors, etc.)  
■ Outsiders (outside companies/agencies)



### Disclosure Requests

| unit: case |

■ Disclosure requests  
■ Disclosure decisions



## Communities

### A Walk towards the World Best Incheon Airport People's Vision

To become a nationally recognized company through its community involvement, Incheon International Airport Corporation selected top three issues, Customers, Communities, and Global Society, and has been dedicated to fulfilling social responsibility. To help develop local communities, IIA has consistently implemented strategic community involvement activities, which fit the characteristics and capabilities of Incheon Airport. Employees also formed "Incheon Airport Volunteer Corps" to practice 'sharing', and have carried out various activities, including social work, environmental preservation, cultural heritage protection, and international social service.

#### Human Resources Development through Step-by-Step Support Programs for Educational Projects

Incheon International Airport Corporation listens to the voice of local communities and defines key issues to implement local community involvement activities. Since 2007, the company has operated HRD programs at different levels, from elementary schools to universities and provided 3,500 students equal educational opportunities each year by running 11 specialization programs for 9 elementary/middle schools, such as creativity and marine training. Starting in 2010, the company is also responsible for the independent private school project, and in March 2011 opened a school and contributed to the development of local communities. Incheon Airport's Scholarship Program has provided 73 million won to 31 students (25 high schools and 6 aviation students), and Incheon Airport's Trade Union supported 8 high school students with 16 million won, among other community involvement activities performed by labor and management.

#### Local Human Resources Development Commitment

Category	Target	Amount	Eligibility and description
Project for community specialization	9 elementary and middle schools near the airport	340 million won	Support for specialization projects in schools in local communities (11 programs)
Erection of independent private high school	Haneul High School	50.4 billion won	Support for the establishment of a foundation
Scholarship program	31 students	73 million won	High school: Needy students with excellent academic performance University: Students attending Korea Aviation University with excellent academic performance

#### Forest Creation Campaigns, including "World Peace Forest"

World Peace Forest is a leading community involvement model implemented jointly by Incheon International Airport Corporation, Forest for Life, and the Jungu Office of Incheon. By 2011, Phase I of the forest project was completed, and a new forest covering 470,740m<sup>2</sup> will be created in New Airport City by 2016. The company continues to interact with local communities while helping create a forest. In 2011, 1,293 people participated in 126 forest creation activities. Through the two-stage forest project, Incheon International Airport Corporation plans on creating a forest that provides a resting place in the city.

#### Improving Welfare, e.g. Building Haneul Culture Center (Social Service Center)

Incheon International Airport Corporation plans on increasing local communities' quality of life by building a culture (social service) center for Yeongjong and Yongyudo residents and resident employees at Incheon Airport. The construction commenced in July 2009, Haneul Culture Center will be a large cultural facility with two-level basements and three floors, featuring an auditorium, basketball court, swimming pool, and book cafe, as well as seniors' room, youth room, and nursery. The center officially opened in March 2012. Through the culture center, the company aims to create a sharing culture in the local communities across all levels.



Cultural Performances



World Peace Forest



Haneul High School



Social enterprise 'Montant'



Making Chocolate for Love & Sharing

## Culture and Arts Community Involvement

In April 2011, Incheon International Airport Corporation, under the slogan, "Sing every song around the world with Incheon Airport," formed a multicultural singing group called Montant to create jobs for multicultural families, who are often subject to unfair treatment in society. Montant recruits members through public auditions and provides a variety of coaching programs, to help the members become professionals and members of the society with the company's support of 1.1 billion won by 2014. The company also offers children living on islands or in remote areas, seniors, and the children of multicultural families the opportunity to see cultural/art performances. Through Sky Festival, the company selects artists with disabilities or talented but socially disadvantaged children and provides them with performance tickets and culture & art grants (20 million won), combining cultural & art activities and social values.

## Global Community Involvement

A leader in the world aviation industry, Incheon International Airport Corporation offered free training to 159 people from 36 developing countries to provide the countries the foundation for sustainable growth. To support the education of needy children in Cambodia, one of IIA's overseas markets, the company dispatched 25 volunteer workers and selected 25 best workers to support the necessities and technical support such as telephone poles to supply power. In 2011, the company implemented the pilot project of allowing multicultural families to visit their home countries through an open essay contest. The company is expanding its community involvement and taking steps to becoming a global airport leader.

## Community Involvement with Customer Engagement

Incheon International Airport Corporation grows with its customers through community involvement. In 2009, the company launched BBB Movement (Campaign) to eliminate all language barriers, and in 2011, appointed 310 members of Incheon Airport's Special Volunteer Group to provide free interpretation services. Working with UNICEF, Korea Red Cross, and NGOs like Forest for Life, the company created Customer Engagement Collector to implement international relief activities and environmental campaigns. Incheon Airport will carry out a variety of community involvement activities like open contests, targeting the disabled, socially disadvantaged, youth, and citizens.

## Incheon Airport Volunteer Group's Sharing Activities

Incheon Airport Volunteer Group, consisting of 507 employees, spearheads other employees' voluntary engagement and conducts sharing activities. The Group focuses on neighbor support, cultural support, environmental support, and disaster relief activities, and operates its own volunteer programs, including donations, social service, and material support in partnership with NGOs. "Love Fund," a source of the Group's financial support, helps employees voluntarily raise funds, and Matching Grant is a fund-raising program to which the company donates equal amounts. The company launched Labor-Management Community Involvement Committee and "We're Family" campaign to use Matching Grant and support the necessities to needy children through one-on-one sponsorships, amounting to 26 million won in 2011. Except those in shift and special jobs who cannot attend volunteer service, all employees at Incheon International Airport Corporation are actively engaged in social service activities. In 2011, employees at Incheon International Airport Corporation performed 3,077 hours of service.



Global Community Involvement



Volunteer Activities at Nursing Home

## 2011 Key Activities of Incheon Airport Volunteer Corps

### Love Fund

- Income (carry-over and donations): 41,680,000 won
- Expenses (volunteer service): 23,410,000 won
- Balance: 18,270,000 won

### Matching Grant

- One-on-one labor-management sponsorships: 26 million won
- Bazaar held by airport staff: 14 million won
- Group's "Making Kimchi Together": 10 million won

### Social Service

- In 2011, 473 employees participated in 20 programs
- Making chocolate for love and sharing, cultivating gardens, joint volunteer service in the airport area, planting trees, seniors' airport visits, Hangawi service with multicultural families, technical service for local communities, and overseas service, etc.

### Material Support

- Necessities, boilers, heaters/air-conditioners, and other basic facilities to improve living conditions



## Employees

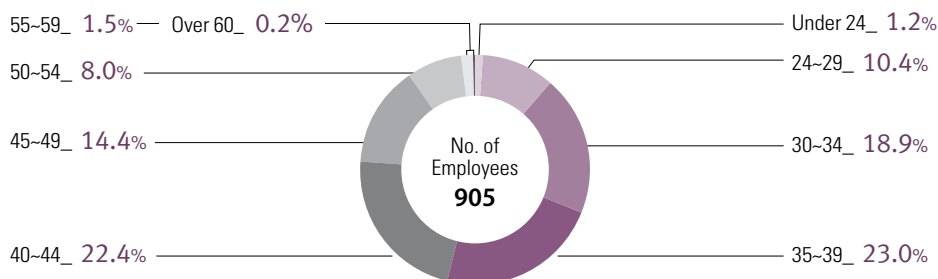
### Hiring and Employment Policy

Incheon International Airport Corporation aims at developing skilled global human resources by securing talent through an open hiring process and a fair and transparent employment policy, and at providing performance-based compensation and a great workplace to satisfy employees. In addition, the company eagerly supports female employees' social activities, introduced a variety of types of work to support a work-life balance, and transformed the benefits programs into user-centric ones. Joint labor-management commitments to creating a healthy corporate culture propelled the company into the highest GWP index in Korea, and the company received the Best Prize in Top 100 Workplaces in Korea and Best CEO award. Further, the company was voted the best in the public service sector in KMAC-organized Best Workplace in Korea for three consecutive years.

#### Employee Information

As of December 2011, a total of 905 employees were working at Incheon International Airport Corporation, including 6 executive officers, 838 regular employees, 23 safety/security specialists, 4 special appointments, and 34 contract jobs. IIA limits contract jobs to temporary work or areas that require specialized knowledge or technology, and switched them to permanent contract jobs that come with retirement benefits.

#### Employees by Age Group



#### Respect for Human Rights and Diversity

Incheon International Airport Corporation strictly prohibits discrimination based on sex, age, or religion, practices equal employment, and respects employees' human rights and diversity. Male and female employees are treated equally in the same position, with compensation and benefits. The average salary for new recruits is 33,240,000 won and the average pay for employees is 82,400,000 won. In 2007, Incheon International Airport Corporation joined the UN Global Compact (UNGC), and has complied with the provisions of No Child Labor and Compulsory Labor.

#### Open Employment Status

[ unit : person ]

Category		2009	2010	2011
Full-time employment (redundant)	Women		8	23
	Disabled	No full-time hiring due to modernization	0	2
	Local HR		6	19
	Science/engineering majors		7	27
	Total		20	63
Part-time employment	Interns (high school/college graduates)	51	45	65
	Contract and special jobs	2	1	1

#### Developing Female Workforce

As of 2011, 169 female employees work at the company, accounting for 18.7% of all employees. To develop a skilled female workforce, Incheon International Airport Corporation introduced the Female Employment Target Program in 2006, which requires that female employees account for at least 30% of all employees. In 2011, there were 6 female employees at or higher than the team-leader level (6.6%), and the company continues its female executive support by creating positions for top-performing women workers.

## Human Resources Development and Management

### Employee Competency Development

Incheon International Airport Corporation plans on becoming a specialized global training center through strategic human resources development and skills-based customized training. Through Learning Follow-up System, IIA aims at strengthening individual employees' specialized capabilities and at developing human resources that meet organizational needs, and has conducted joint skills training, strategic leadership development training at different levels, and skills-based job training designed to improve professionalism. The company plans on leading the paradigm shift from learning-based to individual, organizational performance-based training and increasing satisfaction with organizational and individual capabilities through training feedback process overhaul.

#### Key Job Training Programs and Results (2011)

Course	Competency development	Description
General	Airport operations, planning/business, IT skills	446 in 10 courses
Specialized	Airport construction, future businesses	183 in 7 courses
Aviation	Passenger services, aviation security, aviation safety	520 in 22 courses; 11 employees certified with Project Management Professional (PMP)
In-house MBA	Business administration	31 masters graduated
Self-directed learning	Foreign languages (telephone, in-house), e-learning, etc.	1,018 in foreign language courses, 3,792 in e-Learning courses

#### Training Hours per Person

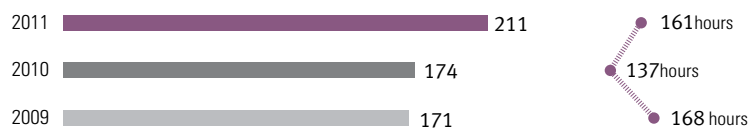
[ Unit : hours ]

Total	161
Gender	
Male	165
Female	145
Levels	
Above Levels 1	148
Levels 2	126
Levels 3	155
Levels 4	173
Under Levels 5	165

#### Training Hours and Cost per Employee

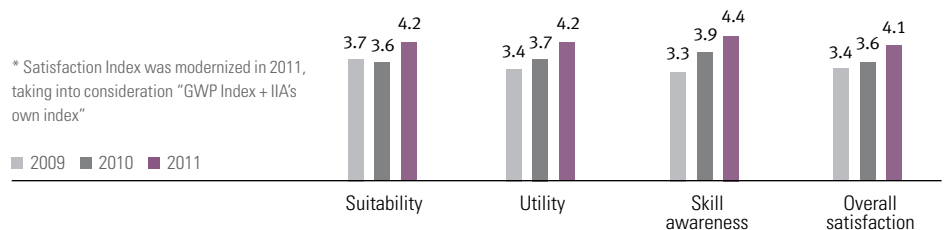
■ Training cost per employee ● Training hours per employee

[ Unit : 10,000won, hours ]



#### Training Satisfaction Survey Results

[ unit : point (out of 5) ]



\* Satisfaction Index was modernized in 2011, taking into consideration "GWP Index + IIA's own index"

■ 2009 ■ 2010 ■ 2011

### Fair Performance Appraisals and Compensation

Incheon International Airport Corporation reinforced the performance-based appraisal program, reduced the importance of career experience from 30% to 20% when considering promotions, and applied the grading system for bonuses more extensively. The company launched "Job Posting" in which employees support teams they want to work with and each team leader selects employees he/she wants to work with, and "Job Market", which links teams in demand to applicants in connection with career plans, implementing skills- and performance-based appointments through competition. Programs were overhauled so that employees to be transferred were informed early on, and that they are allowed interviews on career plans with their future team leaders, increasing satisfaction with human resources management. Through a fair MBO program in connection with organizational performance, IIA strengthened the performance-based compensation process, and works hard to prepare plans to extend the performance-based salary program to non-executive officers.



## Work-Life Balance

### Family-Friendly Management

Incheon International Airport Corporation participates in a social campaign to fight the low birth rate by supporting families with many children and those without children. The company runs "Change-Over" Program where a person is appointed to replace another employee on maternity leave so that the latter does not feel insecure about her job, and a variety of other child care support programs. IIA also guarantees married couples with children can apply for a year-long child-care leave, and in 2011, raised the applicable child age from 3 years to 6 years after birth. For parents with children under one year old, they can take one hour off each day. The company's EAP (Employee Assistance Program) and Mentoring Program provides counseling on mental health, child care, finances, and stress management. In 2011, IIA helped resolve married employees' work-life balance problems by allowing them to take time off if their spouses are transferred to other companies.

#### Maternity and Child Care Leave Programs

	2009	2010	2011
Maternity leave users	10	10	13
% of returns after maternity leave	100%	100%	100%
Mothers using child care leave	15	7	13
Fathers using child care leave	2	1	0
% of returns after child care leave	94.1%	88.9%	100%

\* Based on the start dates of holidays and leaves of the year

### Safety and Health Management

Incheon International Airport Corporation operates Occupational Safety and Health Committee responsible for reviewing/making decisions on employee safety and health in order to prevent occupational accidents and improve employee safety and health. The company also conducts physical examinations (annual) and in-depth exams (biyearly) and covers occupational injuries and diseases with Accident Liability. IIA's Disease-based Health Grading System allows the company to conduct follow-up and consulting with specialists based on the patient's disease. For its commitment to employee health management, the company received the Ministry of Employment and Labor's "Best Workplace with Employee Health Care" in November 2011. The company's employee health care efforts include a variety of programs, such as yoga, fitness, and musical therapy. In 2011, the programs were extended to overseas offices, and on-site checks were conducted on the Arbil office in Iraq (3 times) and the Khabarovsk office in Russia (once). The company provided the offices with gym facilities and improved holiday benefits programs.

#### Accidents and Diseases

	2009	2010	2011
Occupational casualties	-	-	1
Accident rate (%)	-	-	-
Injury rate (%)	-	-	0.1104
Occupational disease incidence (%)	-	-	-
Days lost by gender (days) (Male/Female)	668 / 213	297 / 221	135 / 90
% of absence by gender (Male/Female) (%)	- / -	- / -	- / -

### Practical Benefits Programs

Incheon International Airport Corporation runs a variety of benefits programs ranging from employee self-development to health care and family support, and conducted a preferred benefits survey to provide more practical support. Through the survey, the company gathered employees' opinions, transformed the existing programs into user-centric benefits programs centering on leisure, culture, and child care, which will be implemented in the long term. To reduce the increasing number of leaves caused by the lack of nurseries, IIA aims at opening a child-care facility by 2013, and the entitlement to use the facility will be extended to vendors' employees. In 2008, the company introduced its Pension Program to provide retirement benefits, of which 70% of all employees are members.

## Win-Win Labor- Management Relations

### Advanced Labor Relations through Communication

Created in November 1995, Incheon International Airport Corporation's Trade Union is a member of the Federation of Korean Trade Unions, of which 702 employees at or lower than Level 3 (78% of all employees) are also members. In 2011, the company overhauled the Paid Holidays program solely based on labor-management trust, and signed a collective bargaining agreement with the Union, which incorporates amendments to the Trade Union Act and the government's policy, such as multiple trade unions and working-hour exemptions. At four meetings of the Labor-Management Council, key business issues and employees' complaints are resolved in a timely manner to create a happier corporate culture.

To handle grievances, the "Tong Tong" channel is now available, which allows labor and management to invite and talk to each other, aside from the Labor-Management Council. Once a grievance has been submitted to the Voice of Employee (VOE), the employee can get the results back in three days. In 2011, 35 grievances were received and handled.

#### Voice of Employee Status

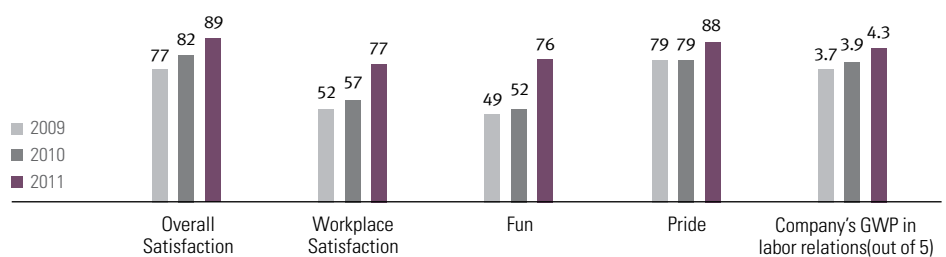
	2009	2010	2011
Grievances Received(cases)	5	29	35
Description	Leaves, transfers, etc	Assessments, CDPs, etc	Leaves, transfers, and grievances of employees abroad
Remarks	CPO (Chief Personnel Officer)	Introduced VOE (Voice of Employees)	

### Increasing Employee Satisfaction

Incheon International Airport Corporation analyzes the employee satisfaction index (GWP) each year and reflects the results in a variety of programs. In 2011, the company's GWP in labor relations was 4.3 points (out of 5), a 13% increase, and overall GWP was 89 points (out of 100), well above the mean score of top-performing companies (84 points), reaching the top score in Korea in three years. IIA will work harder to bring up the GWP score to the average level of Fortune's 100 Best Companies.

#### GWP Index by year

[ unit : point ]



#### GWP Indices Comparison

[ unit : point ]





Customer Satisfaction  
for 3 Consecutive Years **AA**

Return on Net Asset (ROA)  
**4.7%**

Reduce GHG Total Emissions  
**50,400 tCO<sub>2</sub>**

## Performance

Incheon International Airport Corporation (IIA) became a global hub airport by ranking eighth in global passenger traffic and second in cargo traffic. In the past decade, the dedication and commitment of about 35,000 airport staff and 905 employees at IIA have helped the corporation cement its position as a leader in the airport industry. With its performance and capabilities, IIA has set a great example to other leading airports around the world, and is building infrastructure for future growth to become a global airport leader.

## Economic Performance

### Airport Operations and Transportation

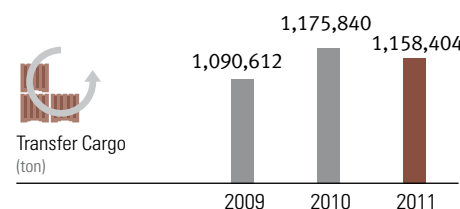
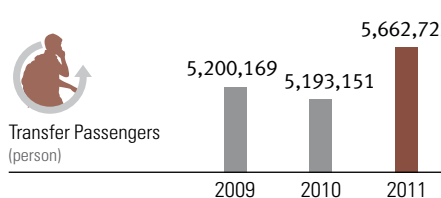
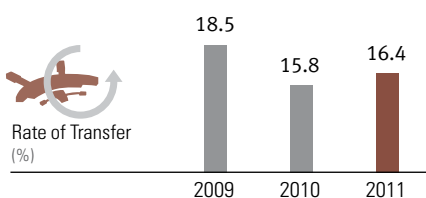
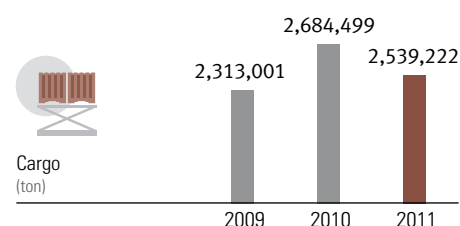
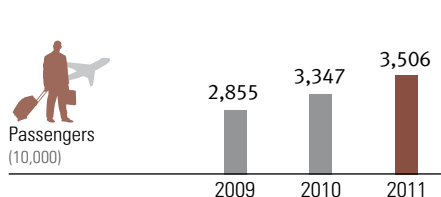
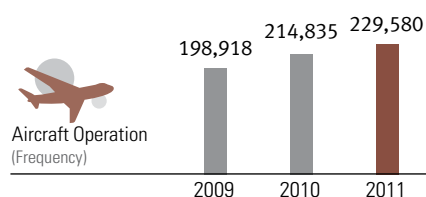
With the added routes of domestic airlines and increasing flights by low-cost carriers (LCC), in 2011, the airport handled 229,580 flights, a 5.9% increase from the previous year, and over 120,000 passengers daily in August alone. Despite the Japanese earthquake in March 2011, global economic recession, and the opening of Gimpo International Airport, IIA achieved a CAGR (Compound Annual Growth Rate) of 7% and a 4.7% increase in passenger traffic with 35,060,000 passengers. Downsizing IT products and the global recession followed by the EU financial crisis have resulted in a decline in air cargo traffic. Incheon Airport connects 174 cities in 51 countries through 68 airlines, of which Chinese, American, and European ones account for the majority. Incheon Airport ranked 8th in global passenger traffic and 2nd in cargo traffic, and became the first airport to operate a 100% online customs system called UNI-PASS, cutting wait times at the customs from at least a day down to 2 minutes and ensuring a fast, simple customs process. The system processes customs 24/7 and enables uninterrupted logistics control.

#### Business Results

[ unit : 100 million ]

Category	Item	2009	2010	2011
Summary Balance Sheet	Assets	80,406	78,096	77,216
	Current assets	1,943	1,862	3,116
	Non-current assets	78,463	76,234	74,100
	Liabilities	36,917	31,877	29,743
	Current liabilities	12,895	5,904	9,881
	Non-current liabilities	24,022	25,973	19,862
	Equity	43,489	46,219	47,473
	Capital stock	36,178	36,178	36,178
	Other	7,311	10,041	11,295
Summary Income Statement	Cost of goods sold	11,866	12,860	14,966
	Airport income	4,151	4,834	5,363
	Other income	7,715	8,026	9,603
	Operating expenses	7,487	7,528	8,989
	Cost of sales	6,640	6,672	6,699
	SGA expenses	847	856	1,044
	Operating profit	4,379	5,332	5,977
	Non-operating profit	1,360	550	114
	Non-operating expenses	2,476	1,489	1,360
	Corporate tax	595	1,151	1,122
	Net profit for the period	2,668	3,242	3,609
	Gross profit	13,226	13,140	15,163
	Total cost	10,558	10,168	11,554

#### Airport Operating Performance

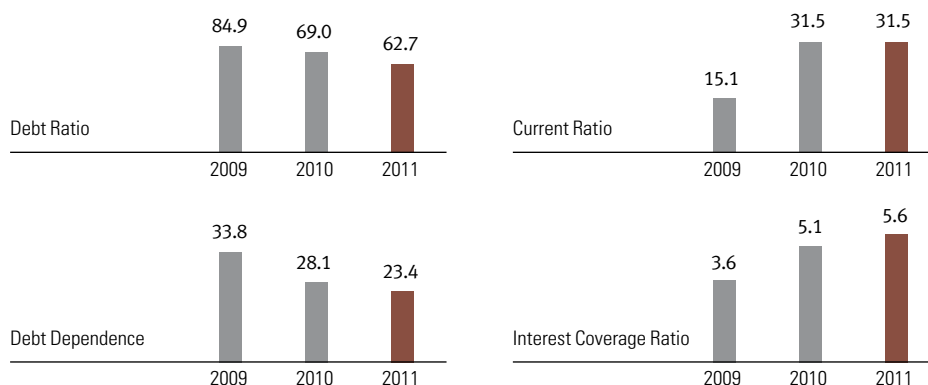


## Business Analysis

In 2011, the commercial facilities increased sales, and new sources of income were generated through Air-City development and overseas business projects, leading to a steady growth in the airport's revenue. With its liabilities declining, IIA has optimized its debt structure to consolidate its financial health, and also worked hard to improve stability and optimize its capital structure by keeping credit lines with financial institutions and paying off debts.

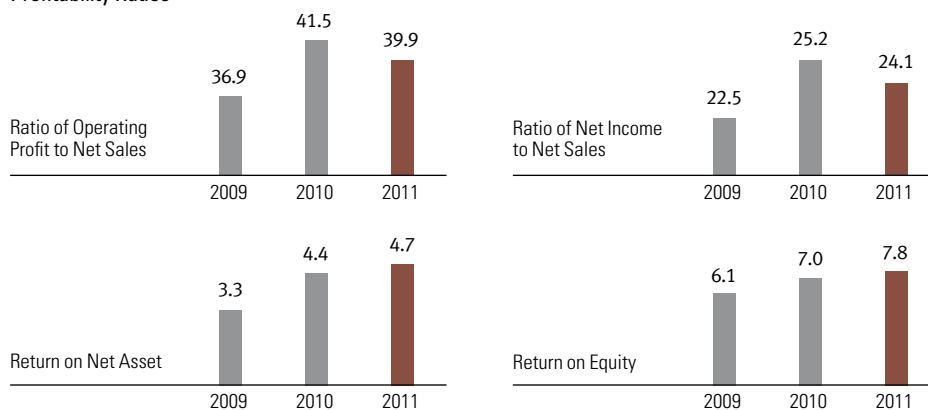
### Stability Ratios

| unit : % |



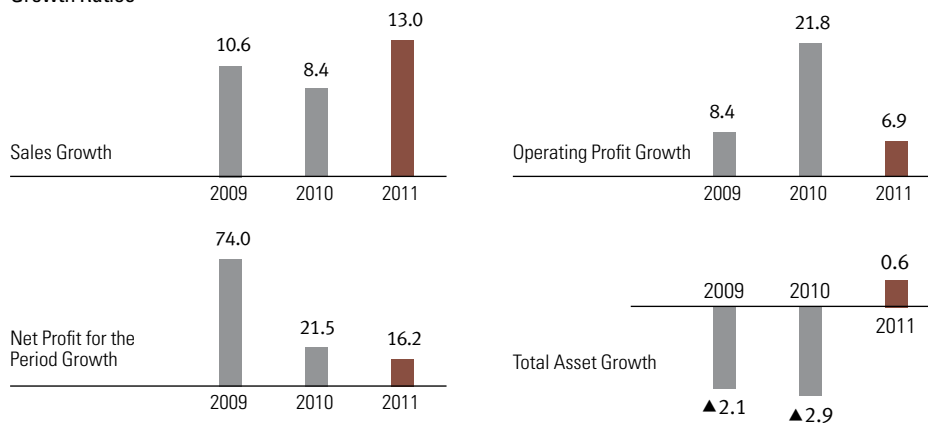
### Profitability Ratios

| unit : % |



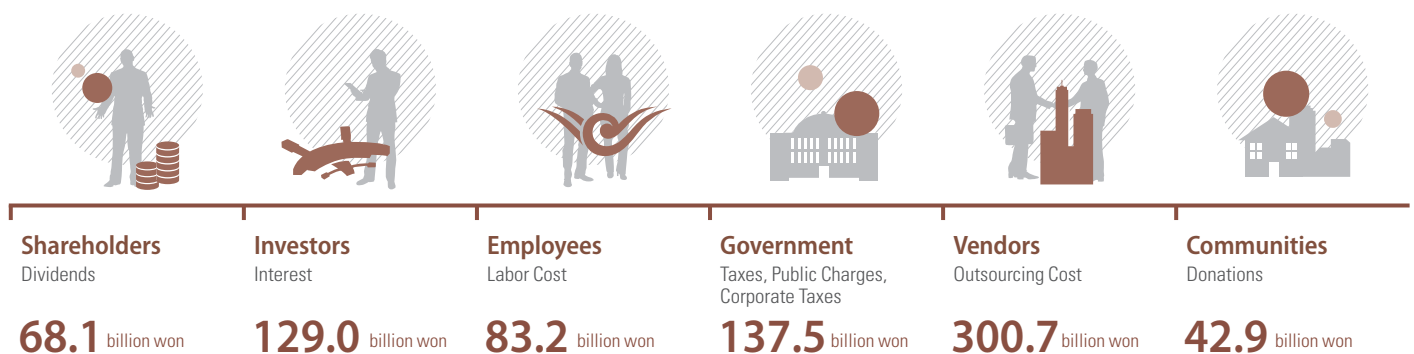
### Growth Ratios

| unit : % |



### Distribution of Value

In 2011, Incheon International Airport Corporation generated 1,496.6 billion won, which was a result of collaboration with stakeholders aiming to become the world's best airport. 51% of the revenue, 7,614 billion won, was given back to various stakeholders, including employees, shareholders, creditors, governments, business partners, and communities.



### Management Analysis

Type	Stakeholder	Description	2009	2010	2011
Value creation	Customers	Sales	11,886	12,860	14,966
		Dividends	268	480	681
Value distribution	Shareholders and Investors	Interest	1,228	1,434	1,290
		Labor cost <sup>1)</sup>	796	683	832
	Government	Taxes, public charges, corporate taxes	766	1,339	1,375
	Vendors	Outsourcing cost <sup>2)</sup>	2,664	2,779	3,007
	Communities	Donations	400	16	429

1) Labor cost: Wage+allowances+mischellaneous+retirement benefits+benefits included in pay (modified due to data errors in 2010 Report)  
2) Outsourcing cost: 6,000 jobs are created by IIA as the airport industry is a labor-intensive industry.

### Indirect Economic Effects

**Commitment to Price Stability** | Incheon International Airport Corporation has been committed to price stability for passengers, airlines, and incoming/outgoing businesses, by eliminating the causes of airport user fee increases, and by imposing fixed-rate passenger (user) fees, parking charges, landing fees, and logistics park rents over the past few years. Further, the company performs regular monitoring of price satisfaction in the airport's commercial facilities and contributes to keeping prices stable in the airport area through price controls and discounts.

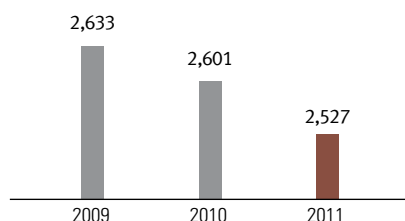
Indirect Economic Effects   unit : Person			
Type	2009	2010	2011
Outsourcing	5,972	5,940	5,955
Investment projects ordered	740	1183	2012
In-house businesses	12,459	13,082	13,778
Facilities invested	1,916	2,116	2,711
Other	380	495	766
Total	21,467	22,816	25,222
Change	-	6.3%	10.5%

**Commitment to Job Creation** | Incheon International Airport Corporation has consistently discovered job-creating businesses and laid the foundation for the government's Extended Employment policy. IIA created a long-term roadmap for job creation, and plans on creating 160,000 new jobs by 2018, when the Phase-3 project and PFI investments have been completely made. Since 2001, over 80% of the airport's operations staff has been outsourced, and the company consolidated employment stability through its Job Stability Program, including technical support and job training. In 2011, 25,227 private jobs were created through outsourcing, investment projects, in-house businesses, and facilities for investment.

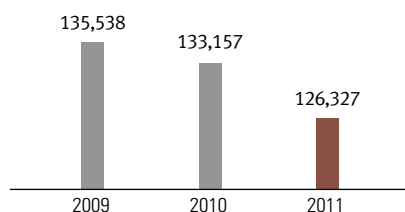
## Environmental Performance

Total Energy Use

[unit: TJ]



GHG Emissions

[unit: tCO<sub>2</sub>]

### Greenhouse Gas Reduction Commitment

**Saving Energy** | Incheon International Airport Corporation developed a greenhouse gas inventory in 2009, and analyzed GHG emissions reduction potential and created a long-term reduction plan in 2010. Through the Energy Management System (ISO 50001), the company created its own energy management system that meets the global standards and continues to implement a variety of energy-saving activities, such as facility overhaul and operations improvement. In addition, IIA continues to work hard to create a green, highly efficient airport by creating a testing process for energy-saving products, and its energy-saving practices include enhancing heater valve operations between seasons or during the winter and lighting control methods by turning off unnecessary lights. In 2011, IIA generated 126,769tCO<sub>2</sub>ep of GHG emissions, meeting the target (below 135,986), and used 2,476TJ of energy, and ranked first in Most Energy-Saving Company evaluated by the Ministry of Knowledge Economy.

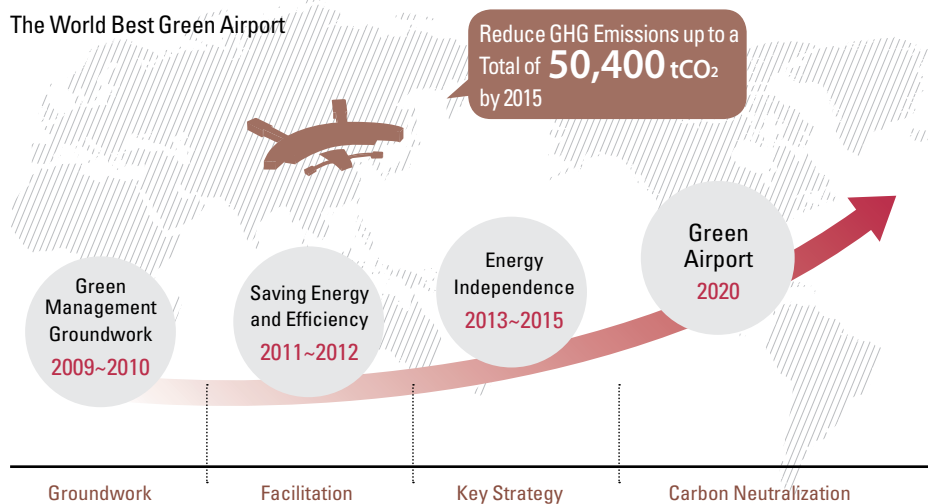
Energy Consumption

Item	2009	2010	2011
Total energy use(TJ)	2,633	2,601	2,527
Energy use intensity(TJ / million won)	0.00222	0.00196	0.00169
Electricity (TJ)	2,283	2,230	2,222
Hot water (TJ)	275	305	241
Oil (TJ)	20	22	19
Gas(TJ)	55	45	45
GHG emissions(tCO <sub>2</sub> )	135,538	133,157	126,327
Direct GHG emissions(TJ)	4,280	3,924	3,727
Indirect GHG emissions(TJ)	131,258	129,233	122,600

\*The reporting scope of direct and indirect GHG emissions includes the emissions generated by Incheon International Airport Corporation and its vendors combined.

**Carbon Neutral Program** | Incheon International Airport Corporation studied the feasibility of adopting renewable energy, created a long-term renewable adoption plan, and is currently operating Renewable Energy Pilot Program (park). The company eliminates 4.3% of total GHG emissions from the water recycling plant by participating in the Carbon Neutral Program supervised by Energy Management Corporation.

### The World Best Green Airport







Photodegradable Plastic Bags



AC-GPS



Endangered Species, Narrow-Mouthed Toad

## Results of Environmental Impact Reduction

**Operating Low-carbon Green Airport** | Incheon International Airport Corporation launched the Green Cargo Hub Project in 2009, and has since been devoted to reducing environmental impacts. The company worked with airlines arriving at Incheon Airport and logistics companies to develop lightweight ULDs (Unit Load Devices) and conduct research on GHG reductions, i.e. the development of biodegradable/photodegradable plastic bags for air cargo. Further, IIA distributed 5,110 tons of biodegradable packaging materials each year and strengthened its Green Cargo Hub brand.

In addition, Incheon International Airport Corporation developed the optimized route for aircraft and created a green parking space to reduce aircraft GHG emissions. The company also increased AC-GPS (aircraft ground power supply) units to reduce unnecessary fuel consumption when parking aircraft. IIA created a green traffic system by supporting electric vehicle (EV) charging infrastructure (e.g. EV charging station power supply and parking space).

**Ecosystem Conservation** | Incheon International Airport Corporation conducts quarterly environmental impact assessments, including regular surveys of marine and land ecosystems, identifies ongoing impacts, and creates plans for them. The 2011 ecosystem survey on the site preparation area in Incheon Airport's Free Trade Zone revealed that there were narrow-mouthed toads (Grade II endangered wild life). After discussion with related organizations, the company captured and moved the toads to the neighboring habitat, outside the airport. The company implemented Endangered Species Protection Program targeting 12 adult, 21 sub-adult and about 230 juvenile species, from July 2010 until September 2011. IIA plans on conducting regular monitoring of the toads after their migration and contributing to the conservation of ecosystems around the airport through effective environmental impact assessments.

**Reducing Noise Impact** | In November 2010, due to the noise caused by aircraft, the whole area surrounding Incheon International Airport became a "Noise Control Area" under the Act on the Prevention of Airport Noise and Support for Noise Control Areas. In 2011, IIA formed Aircraft Noise Control Committee, and has since worked on aircraft noise control. IIA will invest 2,438 million won by 2015 in its noise control project, resident support project, noise monitoring network overhaul, and continuous noise monitoring.

### Noise Control Standards

Type	Noise level (WECPNL)	Key projects	Incheon Airport target(2025)	Remarks
Type 1	Over 95	Moving	-	No construction/expansion/ renovation
Type 2	90 ~ 95	Soundproofing facility, resident support project	-	No construction; expansion/renovation ONLY with soundproofing facility
Type 3	75 ~ 90	Soundproofing facility, resident support project	10 households	Construction, expansion/renovation ONLY with soundproofing facility
Resident support project	Over 70	Resident support project	153 households	-

### Aircraft Noise Control Projects

Description	Target	Cost (million won)	Remarks
Soundproofing/air-conditioning facility installation	6 households	160	Applicants only
Public broadcasting service fee support	7 households	1	Applicants only
Automatic monitoring network devices overhaul	10 locations	809	-

**Environmental Quality Monitoring and Improvement** | Incheon International Airport Corporation performs regular monitoring of water, indoor air, air, quality and wastes to create a clean airport environment.

**Water Management**\_ The airport gets reliable water supplies from Gongjon Plant in Incheon's water-works, and stores about 100,000 tons in the water reservoir. For the efficient treatment of sewage and wastewater generated from the airport, IIA operates a water recycling plant and sewage/wastewater treatment plants per facility. The water recycling plant can treat up to 30,000 tons each day, and treats domestic sewage from the airport facilities and aircraft wastewater are treated. 65% of the wastewater is recycled and reused as landscape water, toilet water, and cooling water. The company conducted a site survey of the increasing number of contaminants near the Southern basin, identified the causes and characteristics, and analyzed the causes.

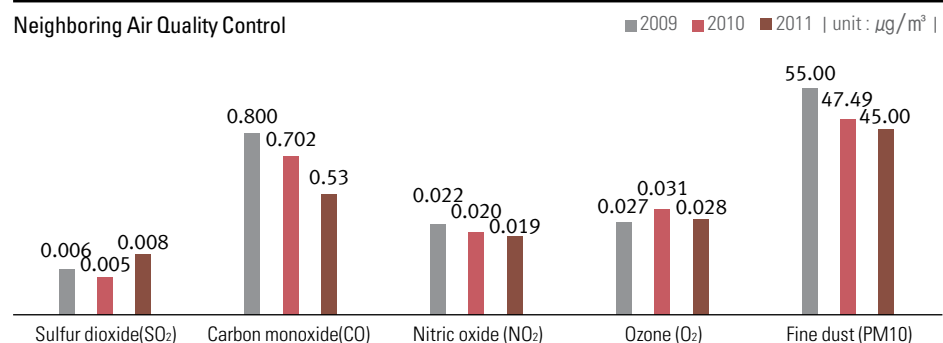
Water Management   unit : 1,000 ton			
Item	2009	2010	2011
Water use	666	714	984
Water use intensity (1,000 ton/billion won)	0.56	0.54	0.66
Sewage generation	3,062	3,183	3,270
Recycled sewage (%)	1,710 (56%)	1,835 (58%)	2,129 (65%)

Neighboring Water Quality Control   unit : g/million won			
Item	2009	2010	2011
pH	7.85	7.89	8.01
COD	1.7	1.88	2.0
SS	33.15	27.68	28
TN	0.52	0.59	0.58
TP	0.05	0.06	0.056
Cd	0.19	0.218	0.088
Pb	1.294	1.256	0.584

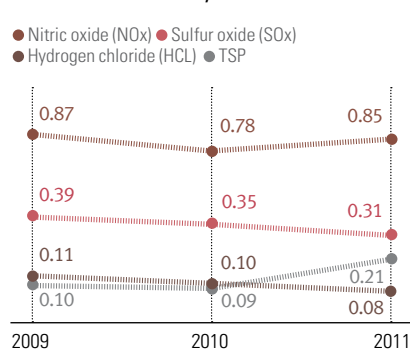
Contaminant Emissions Intensity from Water Recycling Plant   unit : ppm(mg/L)					
	Legal limits	Controlled	2009	2010	2011
COD	-	10	7.0	6.6	6.2
BOD	20	10	5.033	5.773	4.738
SS	10	6	0.8	0.7	0.6
TN	10	6	0.6	0.7	0.6
TP	2	1	0.272	0.359	0.228

**Neighborhood Management**\_ The company conducts water quality analysis on 9 sea points near the airport four times each year. Through environmental analysis and smoke-reduction campaigns, IIA works hard to identify the effects of airport operations and reduce the emissions of air contaminants.

**Air Quality Control**\_ To analyze air pollution caused by aircraft and adjacent vehicles, IIA installed air monitoring stations in three locations, including Eulwang-dong, and conducts monitoring 24/7. The company monitors air quality by comparing 14 locations in Incheon and conducts quarterly vehicle exhaust monitoring in traffic areas. The company also monitors construction sites, including the operations of cleaning facilities and scattering dustproof walls to prevent scattering dust, one of the major contaminants. The level of fine dust particles inside a public facility is measured each quarter for 24 hours. IIA always maintains the facility's level under the internal limit (below  $30\mu\text{g}/\text{m}^3$ ), much lower than the legal limit ( $150\mu\text{g}/\text{m}^3$ ). In 2011, the facility's average level of dust particles(indoor air quality) was estimated at  $22.4\mu\text{g}/\text{m}^3$ . IIA never emits ozone depleting substances like SF6s, CFCs, HCFCs, halon, and methyl bromide, and operates a variety of air monitoring equipment, including a resource recovery facility (incinerator), semi-dry reactor, a system using activated carbon, and a selective catalyst reduction system, to eliminate the causes of air pollution from airport operations.



### Resource Recovery Facility Contaminants Intensity



### Waste Management

[unit: ton]

Item	2009	2010	2011
Waste generation	14,253	35,826	110,700
Ordinary waste	9,970	10,313	30,461
Designated waste	802	842	8,436
Construction waste	3,481	24,671	71,803
% of recycling	52%	78%	89.8%
Waste treatment_ recycled	7,237	28,057	75,300
Waste treatment_ incinerated	6,423	7,181	7,886
Waste treatment_ reclaimed	593	584	677
Scrap de-icing solution treated	5,552	10,782	6,840

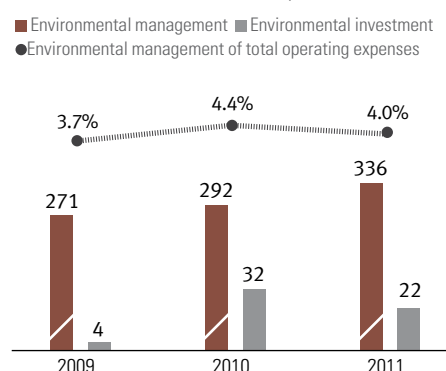
**Soil Conservation\_** Under the Soil Conservation Act, Incheon International Airport Corporation performs regular tests to ensure appropriate soil monitoring. Pursuant to the legal testing requirements, in 2010, the company conducted contamination and leakage tests on the underground oil tanks in Dongnyeok-dong A, an area subject to legal control. The test results found that the tanks were in good condition.

### Spreading Green Culture

Incheon International Airport Corporation incorporates the preferred procurement of green products in its budget process, and clearly states the mandatory purchase of green products and the reporting of final procurement of green products in its Terms of Service to encourage the purchase of green products. Further, the company keeps track of annual environmental costs by classifying them into environmental investment and environmental management expenses. In 2011, IIA spent 35.8 billion won on environmental management, which accounted for 4.0% of total operating expenses. IIA complies with all environmental laws and regulations, and tries to exceed the applicable standards. In 2011, there were no violations or penalties reported.

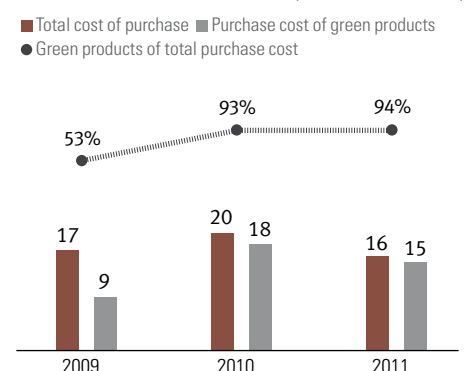
### Environmental Cost

[unit: 100 million won]



### Green Products Purchase

[unit: 100 million won]



## Social Performance

### Best Airport Worldwide at ACI's ASQ for 7 Consecutive Years

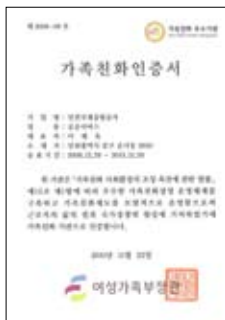
Committed to providing the best service that satisfies as many airport users as possible, Incheon International Airport Corporation conducts airport service quality and satisfaction surveys and reflects the results in its business activities. Airports Council International (ACI) performs quarterly Airport Service Quality (ASQ) targeting airport users around the world. In 2011, Incheon Airport scored highest in Airport Service Quality (ASQ) with 4.95 points for 7 years straight, among 186 airports across five continents around the world. In November 2011, the company became the first airport to win the Roll of Excellence in Airport Service Quality, which is awarded by Airports Council International (ACI) to an airport that ranks among the top five for five straight years.

### Public Company's Customer Satisfaction Survey

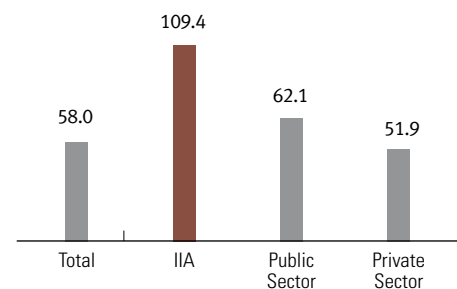
Through an annual customer satisfaction survey for public companies conducted by the Ministry of Strategy and Finance, Incheon International Airport Corporation identifies customer satisfaction in key responsibility and incorporates the results into its Service Standards to offer better services. In 2011, IIA scored highest among public companies in surveys targeting passengers, employees, and business partners, and maintained its highest rating "AA" for three consecutive years.

### Family-Friendly Company

In 2011, the government analyzed 2,972 companies based on the Family Friendly Index, and Incheon International Airport Corporation was recognized as the most family-friendly public company by scoring highest (109.4 points), about 1.9 times the mean score. For its family-friendly leadership, systems, and culture, the company received a Family Friendly Certificate from the Ministry of Gender Equality and Family in 2008, and renewed its certification for two more years after the certificate review in 2011.



Government's Family Friendly Index | unit : point |



### Key Social Performance Indicators

	Item	Unit	2009	2010	2011
Number of Employees	Executive & ordinary_ male/female		654/137	659/143	685/159
	Safety & security_ male/female		22/1	22/1	22/1
	Contract positions_ male/female	Person	8/1	9/1	8/1
	Permanent contract_ male/female		24/11	18/10	18/7
	Special positions_ male/female		3/1	3/1	3/1
	Total employees_ male/female		711/151	711/156	736/169
Minorities	Employees with disabilities	Person	22	21	24
	% of employees with disabilities		2.6	2.4	2.7
	% of women	%	17.4	18.0	19.6
	% of female officers		4.0	5.6	6.6
Employment Stability	% of jobs created	%	-2.5	0.6	4.4
	% of transfers				
	Average years in service	Year	3.6	1.5	2.0
Family Friendly Management	% of returns after child care leave_ male/female	%	10	11	11
			94.1	88.9	100
Employee Satisfaction	Employee Satisfaction (GWP)	Point	74	82	89
Human Resources Development	Average training hours	Hours / person	168	137	161
Employee Safety and Health	% of injury_ male/female	%	-	-	0.1104
	Days lost_ male/female	Day	668/213	297/221	135/90
	Accident rate	%	-	-	-
Win-Win Partnerships	% of integrity agreements	%	100	100	100
	% of electronic bids		95.8	100	100
Customer Satisfaction	Customer satisfaction	Rating	AA(highest)	AA(highest)	AA(highest)
	ACI ASQ	Ranking	1	1	1
Ethical Management	Government Integrity Index	Point	8.13	8.50	8.99
Local Communities	# of residents in noise-affected areas	Person	33,818	36,991	39,103
	% of residents in noise-affected areas	%	100	100	100
	% of residents growth		107	109	106
Community Involvement	Donations	0.1 billion won	400	16	429
	Total hours of employee volunteer service	hours	1,487	2,825	3,077



# Appendix

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## UN Global Compact

The United Nations Global Compact (UNGC) is a U.N. initiative that states the support and implementation of principles in the areas of human rights, labour, environment, and anti-corruption. Incheon International Airport Corporation joined the Global Compact on March 24, 2007, to improve corporate transparency and fulfill social responsibility, and it has held pledge ceremonies in collaboration with airport companies under Incheon Airport Clean Compact, while Incheon International Airport promotes the spirit of UNGC. Incheon International Airport Corporation respects the 10 principles of the UN Global Compact and pledges to mainstream and spread them across all of its business activities.

\*2011 CSR Report is Registered as an UNGC GC Advanced Level CoP



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## The Ten Principles

### Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2. make sure that they are not complicit in human rights abuses.

### Labour Standards

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4. the elimination of all forms of forced and compulsory labour;

Principle 5. the effective abolition of child labour; and

Principle 6. the elimination of discrimination in respect of employment and occupation.

### Environment

Principle 7. Businesses should support a precautionary approach to environmental challenges;

Principle 8. undertake initiatives to promote greater environmental responsibility; and

Principle 9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

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## Pledge of Inchoen Airport Clean Compact

Incheon Airport and the service providers, resident institutions, airlines, and tenant companies at Incheon Airport are proud to be contributing to national economic development by providing the best service to the customers and operating a convenient airport based on one of the world's best safety and security systems.

We pledge to eliminate all unreasonable and nontransparent practices from society and all aspects of the corporation, and to actively implement ethical management, as well as putting our utmost efforts to minimize environmental impacts incurred by airport operations, and declare as follows:

One. We acknowledge that ethics is foremost in a corporation's competitiveness, and will strive to earn the respect from the people and society by establishing high ethical principles based on trust, and practicing anti-corruption and ethical management.

One. We will strive to minimize the environmental impacts caused by airport operations and pursue sustainable growth by abiding by the international environment protection regimes including the Climate Change Treaty.

One. We will put our efforts into contributing to the development of society through continued social responsibility activities and practicing socially responsible management.

One. We pledge joint growth through mutual trust and cooperation with the pride of being the World's Best Airport.

## Independent Assurance Statement

### Independent Assurance Statement to Incheon International Airport Corporation Management

We have performed to provide independent assurance services over selected aspects of Incheon International Airport Corporation's 2012 Social Responsibility Report (the "Report"). The management of Incheon International Airport Corporation is responsible for preparing the Report. Our responsibility is to carry out a limited level of assurance engagement on the information presented in the Report and to provide our conclusion.

We conducted our assurance engagement in accordance with ISAE 3000 ("International Standard on Assurance Engagements 3000"), issued by the International Auditing and Assurance Standards Board (IAASB), and AA1000AS ("AA1000 Assurance Standard"). The extent for a 'limited level' of assurance is less than that of a 'reasonable' assurance engagement and therefore a lower level of assurance is provided for the Report. An engagement is limited primarily to inquiries of company personnel and review procedures applied to the data Incheon International Airport Corporation provided. The scope of our work was restricted to performance during January 1, 2011 to December 31, 2011 only. Information relating to the earlier periods has not been subject to our assurance.

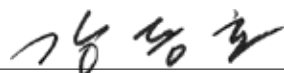
Our work included the following activities.

- Interviews with the personnel responsible for aggregation and reporting of the subject data.
- An evaluation of the design, existence and operation of the systems and methods used to collect and process the subject data.
- Reviews on the subject data through inquiries and analytical procedures.
- Visit to the head office for a limited testing of the subject data aggregation and preparation.
- Verify the subject data that they were correctly reported from appropriate and reasonably balanced sources.

In conclusion, nothing has come to our attention that cause us to believe that the subject data referred to above are not fairly stated, in all material respects, in accordance with the reporting principles of Incheon International Airport Corporation.

- Incheon International Airport Corporation applies a reporting practice in accordance with the GRI G3.1 reporting principles to engage stakeholders on material aspects related to sustainability management performance.
- Incheon International Airport Corporation has applied detailed procedures to identify, collect, compile, and validate

Partner



Dong Ho Kang

June 26, 2012

**Deloitte.**

**Deloitte Anjin LLC**



## GRI Content Index

● Reported ● Partially Reported ○ Not Reported N/A Not Applicable

	Index Number	Description	Reported	Page	Comment	ISO 26000	
						Core Subjects	Issues
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization.	●	2-3			
	1.2	Description of key impacts, risks, and opportunities.	●	2-3			
Organizational Profile	2.1	Name of the organization.	●	14			
	2.2	Primary brands, products, and/or services.	●	15			
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	14			
	2.4	Location of organization's headquarters.	●	14			
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	14			
	2.6	Nature of ownership and legal form.	●	14, 16			
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	14-15			
	2.8	Scale of the reporting organization.	●	14-15			
	2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	16			
	2.10	Awards received in the reporting period.	●	65			
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Cover			
	3.2	Date of most recent previous report (if any).	●	Cover			
	3.3	Reporting cycle (annual, biennial, etc.)	●	Cover			
	3.4	Contact point for questions regarding the report or its contents.	●	Cover			
	3.5	Process for defining report content.	●	4-5			
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	Cover			
	3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	Cover			
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	Cover			
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Cover			
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	Cover			
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	Cover			
	3.12	Table identifying the location of the Standard Disclosures in the report.	●	60			
	3.13	Policy and current practice with regard to seeking external assurance for the report.	●	Cover			
Governance, Commitments, and Engagement	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	16			
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	16	IIA's shares are 100% owned and managed by the Korean government. There are various communication channels between employees and the governance body. Details of the communication mechanism are only partially reported due to its minor materiality level.		
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	16			
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	16			
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	16			
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	16		Organizational governance	
	4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	16			
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	6-7			
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	23			

● Reported ● Partially Reported ○ Not Reported N/A Not Applicable

Index Number	Description	Reported Page	Comment	ISO 26000	
				Core Subjects	Issues
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	● 16, 23-24		Organizational governance	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	● 17			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	● 65			
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	● 65			
4.14	List of stakeholder groups engaged by the organization.	● 18			
4.15	Basis for identification and selection of stakeholders with whom to engage.	● 18			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	● 18			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	● 19-21			

Disclosures on Management Approach (DMAs)	DMA EC	Economic Disclosure on Management Approach	●	23-24
	DMA EN	Environmental Disclosure on Management Approach	●	30
	DMA LA	Labor and Decent work Disclosure on Management Approach	●	44
	DMA HR	Human Rights Disclosure on Management Approach	●	44
	DMA SO	Society Disclosure on Management Approach	●	28
	DMA PR	Product Responsibility Disclosure on Management Approach	●	40-41

Airport Operators Sector-Specific Disclosures	Indirect Economic Impacts	Report on maintenance of airport services in regions where operating is justified by public service rather than economic considerations.	●	51
	Energy	Report programs or initiatives and provide a summary of the results obtained to date and how the information has been used.	●	30
	Water	Report storm water management & irrigation, initiatives to minimize the amount of pollutants and chemicals entering storm water, and initiatives to capture and reuse storm water.	●	54
	Biodiversity	Report on the management of buffer areas, land set aside for future airport expansion and the ecological value of land not in use, if applicable.	●	53
	Emissions, Effluents and Waste	Report on responsibility for handling sources of waste, management of waste from international flights as opposed to waste from domestic flights, the reduction of emissions from onsite transportation, and policies to encourage the airport community to reduce emissions.	●	54-55
	Transport	Identify modes of ground transportation of passengers, staff, visitors and suppliers within, to and from the airport. Include initiatives to improve energy efficiency and reduce emissions.	●	30, 53
	Inter-Modality	Report policies on long-term plans and initiatives for reducing significant environmental impacts.	●	30, 53
	Noise	Report on defining any noise targets or limits applicable to the airport, stating whether they are voluntary or legally binding, and provide an indication of progress; details of noise measurement and monitoring system, mix of aircraft.	●	53
	Employment	Policies or programs regarding local hiring by the airport operator and the airport operator contractors, policies to reduce turnover among workers with access to secure areas of the airport, and policies that require the retention of employees by the next contractor.	●	44
	Labor/Management Relations	Policy on wages, benefits, and working conditions. Policies to mitigate the risk of strikes, picketing, and major disruptions of operations due to labor unrest. And policies or programs concerning collective bargaining rights of employees of other airport employers.	●	47
	Occupational Health and Safety	Programs that monitor direct employees' exposure to excessive levels of aircraft noise at work, airborne pollutants and/or other hazardous substances, and control the accident rate in the hazardous environment.	●	46
	Prevention of Forced and Compulsory Labor	In relation to human trafficking, report policies and programs to create public awareness, to engage authorities in efforts to combat, to train employees in the detection and proper responses to incidents, and to raise awareness among suppliers and other business partners.	●	44
	Security Practices	Report roles and responsibilities related to airport security (the collection and retention of personal passenger data).	●	38-39
	Local Communities	Report stakeholder engagement, airport development & operational impacts, impacts on the local community from reductions of service or facility closures, and the legal context for displacement/resettlement.	●	29, 42-43
	Customer Health and Safety	Report policies/programs in place to mitigate the risk of wildlife strikes.	●	38
	Business Continuity and Emergency Preparedness	Report policies/programs on business continuity in the event of an emergency, and report on management of events affecting service quality.	●	17
	Service Quality	Report on procedure/process for quality control of service. Include the mechanism for how the airport establishes service level expectations for the airport customers.	●	41
	Provision of Services or Facilities for Persons with Special Needs	Report on programs/procedures for facilities for the use of persons with special needs.		41

## GRI Content Index

● Reported ● Partially Reported ○ Not Reported N/A Not Applicable

	Index Number	Description	Reported	Page	Comment	ISO 26000	
						Core Subjects	Issues
Economic Performance Indicators	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	49-51		Community involvement and development	Wealth and income creation
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	52-53		Environment	Climate change mitigation and adaptation
	EC3	Coverage of the organization's defined benefit plan obligations.	●	46	From 2008, the company started severance payment covering the whole employee. Currently the pension program is introduced to provide retirement benefits, 70% of all employees are members.		
	EC4	Significant financial assistance received from government.	●	-	IIA is 100% owned by the government. It does receive subsidy however due to such unique circumstances, it is not necessary to be reported.		
	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	●	44		Labor Practices	Conditions of work and social protection
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	37		Fair operating practices/Community involvement and development	Promoting social responsibility in the value chain/Wealth and income creation
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	○	44	IIA is making efforts to foster the favorable environment to local habitants building educational and cultural facilities. Also to reduce the concentration of population in the capital city, Incheon airport, as a public corporation, gives advantages toward applicants from the local area in hiring process.	Community involvement and development	Community Involvement/Employment creation and skills development
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	29, 42-43		Community involvement and development	Technology development and access/Social investment
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	27, 51		Human Rights/Consumer issues	Economic, social and cultural rights/Access to essential services
Environmental Performance Indicators	EN1	Materials used by weight or volume.	●	52		Sustainable Resource Use	
	EN2	Percentage of materials used that are recycled input materials.	●	54-55			
	EN3	Direct energy consumption by primary energy source.	●	52			
	EN4	Indirect energy consumption by primary source.	●	52			
	EN5	Energy saved due to conservation and efficiency improvements.	●	52			
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	52			
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	52			
	EN8	Total water withdrawal by source.	●	54			
	EN9	Water sources significantly affected by withdrawal of water.	●	54			
	EN10	Percentage and total volume of water recycled and reused.	●	54			
	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	53		Environment	Protection of the environment, biodiversity and restoration of natural habitats
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	53			
	EN13	Habitats protected or restored.	●	53			
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	53			
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	●	53			
	EN16	Total direct and indirect greenhouse gas emissions by weight.	●	52		Climate change mitigation and adaptation	
	EN17	Other relevant indirect greenhouse gas emissions by weight.	●	52			
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	52-53			
	EN19	Emissions of ozone-depleting substances by weight.	●	54			
	EN20	NOx, SOx, and other significant air emissions by type and weight.	●	54			
	EN21	Total water discharge by quality and destination.	●	54		Prevention of Pollution	
	EN22	Total weight of waste by type and disposal method.	●	55			
	EN23	Total number and volume of significant spills.	●	-	No relevant resource used, IIA is in service business.		
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	-	No such regulated toxic waste is generated		
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	54			
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	52-55		Consumer Issues	Sustainable consumption

● Reported ● Partially Reported ○ Not Reported N/A Not Applicable

Index Number	Description	Reported Page	Comment	ISO 26000	
				Core Subjects	Issues
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	● 53		Consumer Issues	Sustainable consumption
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	● 55		Environment	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	● 53		Consumer Issues	Sustainable consumption
EN30	Total environmental protection expenditures and investments by type.	● 55		Environment	
Labor Practices and Decent Work	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	● 44, 57	Labor Practices	Employment and employment relationships
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	● 44, 57		
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	● -		Conditions of work and social protection
	LA4	Percentage of employees covered by collective bargaining agreements.	● 47		Social dialogue
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	● -		Conditions of work and social protection
	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	● 46		Human development and training in the workplace
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	● 46		
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	● 46		Health and safety at work/Community involvement/Health
	LA9	Health and safety topics covered in formal agreements with trade unions.	● 46		Health and safety at work
	LA10	Average hours of training per year per employee by gender, and by employee category.	● 45		
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	● 45		Human development and training in the workplace
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	● 45		
	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	● 16		Discrimination and vulnerable groups
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	● 44		Fundamental principles and rights at work
	LA15	Return to work and retention rates after parental leave, by gender.	● 46		
Human Rights Performance Indicators	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	● 36-37	Human Rights/ Fair Operating Practices	Due diligence/Avoidance of complicity/Promoting social responsibility in the value chain
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	● 36-37	Human Rights/ Fair Operating Practices/Labor Practices	Due diligence/Promoting social responsibility in the value chain/ Employment and employment relationships
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	● 39		Avoidance of complicity
	HR4	Total number of incidents of discrimination and corrective actions taken.	● 44	Human Rights	Resolving grievances/ discrimination and vulnerable groups/Fundamental principles and rights at work
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	● 47	Human Rights/ Labor Practices	Human rights risk situations/ Civil and political rights/Social dialogue
	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	● 44		Human rights risk situations/ Fundamental principles and rights at work
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	● 44		Fundamental principles and rights at work/Discrimination and vulnerable groups
	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	● 39	Human Rights	
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	● 53		Resolving grievances
	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	● 44		
	HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	● 47		

## GRI Content Index

● Reported ● Partially Reported ○ Not Reported N/A Not Applicable

	Index Number	Description	Reported	Page	Comment	ISO 26000	
						Core Subjects	Issues
Society	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	29, 51		Human Rights/Local Community Involvement and Development/Fair Operating Practices	Economic, social and cultural rights/Community Involvement/Respect for property rights
	S02	Percentage and total number of business units analyzed for risks related to corruption.	●	32			
	S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	31-32			Anti-corruption
	S04	Actions taken in response to incidents of corruption.	●	31			
	S05	Public policy positions and participation in public policy development and lobbying.	●	31		Fair operating practices	Responsible political involvement
	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	65	According to the Labor Standards Act., Incheon Airport prohibits any political activities of its employees		
	S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	65			Fair competition
	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	65			Respect for property rights
	S09	Operations with significant potential or actual negative impacts on local communities.	●	53		Community involvement and development	Community Involvement
	S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	53			
Product Responsibility	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	38, 40			Protecting consumers' health and safety
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	38, 65			Consumer service, support, and complaint and dispute resolution
	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	41			Fair marketing, factual and unbiased information and fair contractual practices
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	41, 65		Customer	
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	41, 57			Consumer service, support, and complaint and dispute resolution
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	65			Fair marketing, factual and unbiased information and fair contractual practices
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	65			Education and awareness
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	41	No such complaint has been reported		Consumer data protection and privacy
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	65			
Airport Operator Sector Supplement	A01	Total number of passengers annually, broken down by passengers on international and domestic flights and broken down by origin-and-destination and transfer, including transit passengers.	●	15, 49			
	A02	Annual total number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights.	●	15, 49			
	A03	Total amount of cargo tonnage.	●	15, 49			
	A04	Quality of storm water by applicable regulatory standards.	●	-	The quality of water collected at the stormwater treatment facilities is in compliance with the Preservation of Water Quality Act.		
	A05	Ambient air quality levels according to pollutant concentrations in microgram per cubic meter (µg/m3) or parts per million (ppm) by regulatory regime.	●	54			
	A06	Aircraft and pavement de-icing/anti-icing fluid used and treated by m3 and/or metric tonnes.	●	55			
	A07	Number and percentage change of people residing in areas affected by noise.	●	57			
	A08	Number of persons physically or economically displaced, either voluntarily or involuntarily, by the airport operator or on its behalf by a governmental or other entity, and compensation provided.	●	53, 57			
	A09	Total annual number of wildlife strikes per 10,000 aircraft movements.	●	38			

## 2011 Awards, Memberships, Compliance

### Awards

No.	Award Description	Date	Awarded by	No.	Award Description	Date	Awarded by
1	2011 Korea Image Didimdol Award	2011.01	Corea Image Communication Institute	20	2011 Best Airport Duty-Free	2011.11	Business Traveler
2	GT Tested Award 2010 - 'Best Airport in the World' for 5 consecutive years	2011.01	Global Traveler	21	2011 Win-Win Partnership Week Opening Ceremony - Minister of Knowledge Economy Award	2011.11	Ministry of Knowledge Economy, Small and Medium Business Administration (SMB), Win-Win Growth Committee
3	2011 Green Climate Award	2011.02	Korea Governance Forum on Climate Change	22	2011 Public Procurement Awards - Prime Minister's Award	2011.11	Small and Medium Business Administration(SMBA)
4	Most Respected Company in Korea - SOC Area (1st for 4 consecutive years)	2011.02	Korea Management Association Consultants (KMAC)	23	Family Friendly Certificate	2011.11	Ministry of Gender Equality and Family
5	Airport Service Quality (ASQ) 'Best Airport Worldwide' for 6 consecutive years	2011.04	Airports Council International (ACI)	24	UNGC Awards Best Practice in Ethical Management	2011.11	UN Global Compact Korea Network
6	Ranked 1st in Public Service of Best Workplace in Korea for 3 consecutive years	2011.05	Korea Management Association Consultants (KMAC)	25	GT Tested Award 2011 - 'Best Airport in the World' for 6 consecutive years	2011.12	Global Traveler
7	2011 Korea Public Companies Sustainability Index-"Ranked 1st"	2011.05	ERISS (Economic Research Institute for Sustainable Society)	26	2011 Proud Korean Award, Global Service Category	2011.12	Journalists Association of Korea
8	World Air Cargo Awards 2011 - Airport of the Year	2011.05	Air Cargo Week	27	2011 National Disaster Management Awards, President's Award	2011.12	Ministry of Public Administration and Security
9	2011 Korea Electrical Safety Awards-President's Award (Best group award)	2011.05	Korea Electrical Safety Corporation(KESCO)	28	Web Awards Korea 2012, Excellence Award in Public Agencies	2012.01	Korea Internet Professional Association (KIPFA)
10	2011 Korea Social Responsibility Awards Best Prize/Minister of Health and Welfare Award	2011.05	Korea Journalists' Forum	29	2012 Most Respected Company in Korea	2012.02	Korea Management Association Consultants (KMAC)
11	Grand Prize at 2011 Korea Green Management Awards	2011.06	Ministry of Knowledge Economy, Ministry of Environment	30	1st Weather Management Certified Organization	2012.02	Korea Meteorological Administration, Korea Meteorological Industry Promotion Agency
12	2011 Asia-Pacific Airport of the Year	2011.06	Frost & Sullivan	31	World Air Cargo Awards 2012 - Airport of the Year	2012.03	Air Cargo Week
13	ISO/IEC 20000 certification	2011.09	Lloyd's Register Quality Assurance (LRQA)	32	Best Brand Star in Public Sector	2012.03	Brand Stock
14	Moodie Report- CEO awarded 'Personality of the Month'	2011.09	Moodie Report	33	Most Ethical Company in Korea (Public Company)	2012.03	Fortune Korea
15	2011 Low-carbon Green Growth Fair	2011.10	Minister of Environment Award	34	World's Best Airport	2012.04	Skytrax
16	Inducted into ACI's 'Roll of Excellence with distinction'	2011.11	Airports Council International (ACI)	35	1st Family Friendly Management Awards ; Minister of Gender Equality and Family Award	2012.05	Ministry of Gender Equality and Family
17	Best Gas Safety Management Organization	2011.11	Korea Gas Safety Corporation(KGS)	36	2011 Green Airports Recognition Award	2012.05	Airports Council International (ACI)
18	Grand Prize at the 6th Sustainability Awards	2011.11	Ministry of Knowledge Economy, Small and Medium Business Administration(SMBA)	37	Airport Service Quality(ASQ) 'Best Airport Worldwide' for 7 consecutive years	2012.05	Airports Council International (ACI)
19	2011 Best Workplace in Korea -Best Prize in Public Sector/CEO Award	2011.11	GWP KOREA				

### Memberships

Year Joined	Association/Organization	Year Joined	Association/Organization	Year Joined	Association/Organization
1995	Korea Environmental Preservation Association	2005	IPS Ethical Management CEO Club	2007	UN Global Compact Network Korea
2001	Korea Aviation Promotion Association	2005	Meerae Forum	2007	UN Global Compact
2001	Airports Council International(ACI)	2006	Korea Navigation Institute	2008	Korean Association for Public Administration
2002	ISO 9000/14000	2006	IPS Ethical Management SM Forum	2008	Incheon Business Forum
2002	Incheon Chamber of Commerce and Industry	2006	Korea Management Association (KMA)	2009	BBB Korea
2003	Korea Productivity Center	2007	The International Air Cargo Association (TIACA)	2011	Lime Globe Innovation Forum
2004	Federation of Korean Industries	2007	Business Institute for Sustainable Development(BISD)	2011	GWP Business Society

### Compliance

Incheon International Airport is responsible for airport construction and operations, and complies with national environmental laws and applicable international laws and agreements. In 2011, there were no violations or complaints with regard to the environment, labor, fair trade, and human rights.

**National Laws\_** Incheon International Airport Corporation Act, Act on the Improvement of Managerial Structure and Privatization of Public Enterprises, Commercial Code, Act on the Promotion of Construction of a New Airport for Seoul Metropolitan Area, the Aviation Act, Aviation Safety and Security Act, Land Use Planning and Approvals Act, Act on the Designation and Operations of Free Economic Zones, Land Acquisition for Public Business and Compensation Act, Public Waters Management Act, Public Waters Reclamation Act, Sewerage Act, Road Act, Urban Railway Act, Natural Parks Act, Urban Parks and Greens Act, Home-stead Act, Works Against Land Erosion or Collapse Act, Management of Mountainous Districts Act, Act on the Creation and Management of Forest Resources, Water Supply and Waterworks Installation Act, Port Act, Environmental/Traffic/Disaster Impact Assessment Act, Act on Industry Cluster Promotion and Plant Establishment, Building Act, Aids to Navigation Act, Building Standards Management Act, Waste Management Act, Act on the Disposal of Sewage/Manure and Livestock Wastewater, Clean Air Conservation Act, Water Quality Act, Noise/Vibration Control Act, Act on Mobility Enhancement for the Impaired, Act on the

Installation, Maintenance, and Safety Managing of Fire Facilities, Fire Facility Construction Act, Act on the Safety and Control of Dangerous Substances, Parking Lot Act, Labor Management Relations Act, Act on Gender Equality Employment and Support, Disabled Persons Employment and Rehabilitation Act, Act on Honorable Treatment and Support of Persons, etc. of Distinguished Services to the State, Framework Act on Employment Policy, Employment Security Act, Occupational Safety and Health Act, Occupational Accident Insurance Act, Unemployment Insurance Act, Act on the Collection, etc. of Unemployment Insurance and Occupational Accident Liability Payments, Act on the Protection of Personal Information of Public Agencies, Act on the Information Disclosure of Public Agencies, Act on the Management of Archives of Public Agencies, Act on Civil Petitions Treatment, Low Carbon Green Growth Framework Act, New and Renewable Energy Development, Use, and Distribution Promotion Act, and Energy Use Rationalization Act.

**International Agreements\_** UN Global Compact (joined in March 2007), ILO Labor Standards, International Civil Aviation Organization International Civil Aviation Organization (ICAO) Convention and Annexes

**International Standards\_** ISO 9001 and ISO 14001



## GRI Application Level Check Statement



### Statement GRI Application Level Check

GRI hereby states that **Incheon International Airport Corporation** has presented its report "2012 Social Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 July 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of a globe in the background.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because **Incheon International Airport Corporation** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 June 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



## We always value your opinion.

Incheon International Airport Corporation would love to hear from all of its stakeholders, including the reader, to publish more accurate Social Responsibility Reports in the future. Please complete the form below and send us by mail or fax.

**Address\_** Sustainability Management Team, Incheon International Airport Corporation, 47, Street #424, Gonghang-no, Jung-gu, Incheon, Republic of Korea (Postal Code) 400-700

**Tel\_** +82-32-741-2017~8 **Fax\_** +82-32-741-2330

### 1. What stakeholder group do you belong to?

- ☐ Customer ☐ Employee at Incheon International Airport Corporation ☐ NGO or civic organization  
☐ Sustainability expert ☐ Resident of local community ☐ Business partner (Airport staff) ☐ Other( )

### 2. What is the most specific and effective means for gathering information about Incheon Airport?

- ☐ IIA website ☐ Press, e.g. newspapers ☐ Web search ☐ IIA employee ☐ Seminar/lecture ☐ Other( )

### 3. For what purpose do you use this report?

- ☐ To obtain information on IIA ☐ For reference only ☐ For research and educational purposes  
☐ To identify IIA's Social Responsibility activities ☐ Other ( )

### 4. What issue in this report are you most interested in?

- ☐ Materiality process and results ☐ Special Report I ☐ Special Report II ☐ Company Overview  
☐ Social Responsibility ☐ Stakeholder Engagement ☐ 2011 Key Performance ☐ Other ( )

### 5. What part of this report would you like to see improved?

- ☐ Materiality process and results ☐ Special Report I ☐ Special Report II ☐ Company Overview  
☐ Social Responsibility ☐ Stakeholder Engagement ☐ 2011 Key Performance ☐ Other ( )

### 6. Did this report help you better understand Incheon International Airport Corporation's Social Responsibility activities?

- ☐ Very Helpful ☐ Helpful ☐ Somewhat ☐ Not Very Helpful ☐ Not At All

### 7. What do you make of this report?

	Very Satisfied	Satisfied	Somewhat	Dissatisfied	Very Dissatisfied
Uses definitive terms, is easy to understand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contains enough material issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The report content is credible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well-designed, easy to look at and read	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Helps better understand Social Responsibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 8. Please feel free to add any comments on Incheon International Airport Corporation (IIA) Social Responsibility Report.

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## Glossary

### Airports Council International(ACI)

An international association of the world's airports. The purpose of ACI is to cooperate with international institutions related to aviation, and to foster safety, efficiency, financial independence, and mutual cooperation among member airports. It also provides member airports with information regarding domestic and international airport development and analysis reports, and also performs the ASQ survey program. Currently, 550 airport companies in 165 countries and regions are listed as members.

### AOC (Airport Operation Center)

An integrated situation operation and management system designed to enhance the airport's overall ability to cope with emergencies by integrating the situation monitoring and transmission functions of the Emergency Management Center (EMC) and the terminal operation and management functions of the Terminal Operation Center.

### Clean Development Mechanism(CDM)

A system where part of the reductions rates that industrialized countries accomplish through greenhouse gas reduction projects in developing countries, is partially counted as part of the reduction rate for the industrialized country.

### Global Reporting Initiative(GRI)

The GRI Sustainability Reporting Guidelines, which are the most widely used comprehensive sustainability reporting framework around the world, published its first edition of the 'GRI Guideline' in June 2000, later publishing the 'G3 Guideline' in October 2006, which was revised to 'G3.1 Guideline' January 2011. [www.globalreporting.org](http://www.globalreporting.org)

### International Civil Aviation Organization(ICAO)

ICAO was established in 1947 under the Convention on International Civil Aviation (also known as Chicago Convention) as a UN organization, for the development and safety of civil aviation, and enhancing the economics of air transport. It consists of the General Assembly, Board of Directors, Secretariat, and three Councils. The Republic of Korea joined in 1952. [www.icao.int](http://www.icao.int)

### ISO26000

About 600 experts from 99 countries and 42 international organizations participated in creating guidelines for social responsibility for the International Organization for Standardization (ISO) to assist all forms of organizations in contributing to sustainable development.

### KoBEX SM (Korean Business Ethics Index)

An index used to evaluate the current situations regarding adoption of sustainability and its performance by major public and private companies in Korea conducted jointly by the Ministry of Knowledge Economy and the Institute for Industrial Policy Studies (IPS).

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